FINANCIALTIMES

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Friday June 15 1979

***15p

Gormley

stays as

miners'

leader

By Christian Tyler and Ray Perman

the succession.

MR. JOE GORMLEY, president of the National Union of Mine-

workers, publicly confirmed yesterday that he had decided to stay on in the job in order, he said, to ensure that the

at the Scottish area NUM con-ference on Wednesday to mean

industrial strength to change

the political complexion of the

That was not the role of a

Mr. McGahey said yesterday that he had never called for the

NUM to bring the Government

down, but only that the Labour movement should help to create

a situation in which an early General Election would be brought about through the

that is a matter for him, and he

doesn't appear to be very deci-

"I would be honoured to serve

serve in the post of Scottish

confidence of the national union

unable to stand, the Scottish

miners will support and fight

date in the field - and Arthur

Scargill [Yorkshire area presi-

dent] I look upon as a most pro-

gressive man with whom I have

"I am confident that if I am

democratic process.

as vice-president.

government."



CONTINENTAL SELLING PRICES: AUSTRIA Son 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS FI 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pts 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 20p

ENERAL

irops ustice ninister

wth African Premier Pieter otha dropped controversial minister James Kruger 1 a Cabinet reshuffle.

Newcomers to the Cabinet cluded Andries Treurnicht, and of the ruling National arty in Transvaal Province no is acknowledged as leader the party's right wing. Back

Mr. Botha agreed to abandon s attempt to curb newspaper porting of corruption in vernment. Page 4

aution over ummit talks

resident Carter and President rezhnev meet for the first ne this evening in Vienna at e start of a weekend of U.S.-wiet talks leading to the gning of SALT-II.

The talks, which both sides em to be approaching autiously, are expected to lay e groundwork for SALT-III. ary Soviet approach. Page 2; arter's precurious path, Page

wo more post ombs found

vo more letter bombs were und at Birmingham's main stal sorting depot, bringing e number of explosive devices own to have been posted in e city to 11.

Extra police and army perin the examination of 2.5m ters and 150,000 parcels at the ters and 150,000 parcels at the energy, ministers at the 24-obt. Disruption to postal nation OECD meeting in Paris vices in the region is have agreed. Back Page sected to last until next week.

ube strike talks

udon Transport and union cials were meeting late last tht at the Advisory. Concilian and Arbitration Service in aftempt to avert Monday's Under- Page 2 und strike. Page 14

rice of peace

cost £25m to keep the peace the 18 big demonstrations in ndon last year according toannual report of Sir David Nee, Commissioner of the tropolitan Police. Serious me in Lendon drapned regulity for the first time in tht years. Page 12

ost disruption

e Post Office said that the set of the disruptive one-day ike by members of its I been parely but the union d that 92 per cent of its 700 members had joined the ion. Page 14

alvage bid halts

id weather halted Royal Navy empty to salvage the wreckof the Tornado combat airaft which crashed 14 miles off neknool on Tuesday. The inchunter Nucton guarded the

120,000 atlas

inuscript maritime atlas ched figures as Christie's atmaced its sales of the grature collection of America cuthusast Arthur A. meliton. Two days of sales is week totalled \$1,555,315 iv above forceast.

riefly . . . louds in western Jamaica after ree days of heavy rainfall ve killed 32 people, with 25 hers missing.

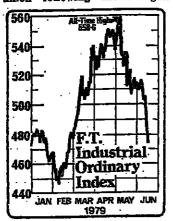
neage advertising agency is min sued for portraying Pea-its carteon character Lucy as United Features wanani. ains Lucy's wholesome image is been turnished and seeks (0,000) compensation.

BUSINESS

Equities and Gilts fall; £ weaker

No. 27,890

• EQUITIES again fell sharply on fears of confrontation between the Government and union following the Budget.



The FT 30-share index dropped 14.7 to 474.2.

the Ministerial warning of 17 per cent inflation by autumn. Falis ranged to 14.

• STERLING fell 82 points in very quiet trading to close at \$2.0958 and its trade-weighted index fell to 68.2 (68.6). The dollar's index was unchanged

• GOLD rose \$2 to \$278; in London.

9 WALL STREET was 3.21 lower at 838.96 just before the

increase alternative sources of

• ITALIAN PREMIER Giulio Andreotti yesterday called for reform of the EEC's Common Agricultural Policy and a boost in payments by other EEC funds to aid Britain and Italy. He arrives in London today for talks with Mrs. Thatcher.

o A TOP-LEVEL British trade mission is to visit Cuba. Page 8

O PRUIT AND VEGETABLE polices unapped 15 per cent in the three months to Mey this cur, the Price Commission

O IVELIN MARSHALL plant in Chinsborough is to close with the less of 763 Johs. Page 10

O SCOTTISH MINERS have veted for a new eyer claim of views on inter he hacked by sudner had action if microscopy. Peter 14.

@ THE NATIONAL and Local Government Officers' Association has decided to make official any local strikes called by its members against job cases due to reduced public spending.

COMPANIES

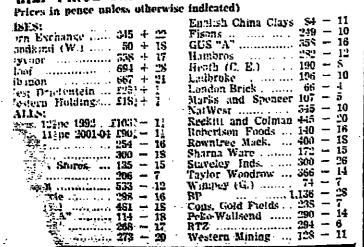
and Seltrust Engineering have mined with Finland's Outocomparto win a turnkey contract for a \$250m copper smelter in the Philippines. Page 8

 SONY CORPORATION net profits in the six months to April 30 fell by 35.6 per cent lu Y7.88bn (about £17.9m) from Y12:22bn in the same period a year earlier. But the setback was blamed by Sony on adoption of U.S. accounting rules. Page 36

CHLORIDE GROUP pre-tax profits rose to £29m (£25.1m) in the year to March 31, and the company expects further growth. Page 30 and Lex

• ENGLISH CHINA CLAYS first-half pre-tax profits rose to f10.43m (£8.53m previously) despite being hit by the transpart strike and the severe winter. Page 32 and Lex

HIEF PRICE CHANGES YESTERDAY



Banks put up base lending rate in line with MILR

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The cost of a bank overdraft will rise sharply following yesterday's decision by all the clearing banks to increase their base lending rates by two points to 14 per cent.

This means thta a top-quality industrial customer will pay 15 per cent, while the cost of overdrafts for other borrowers will be between 17 and 19 per cent. The rise in base rates is exactly in line with the increase in Minimum Lending Rate announced on Tuesday. This unexpected tightening of the credit squeeze was fully explained yesterday by new official figures showing that bank lending has remained very buoyant. Bank lending in sterling to

the UK private sector rose by \$\$69m in the month to mid-May. while the underlying rate of expansion of sterling M3, the broadly-defined money supply, has been above the upper end of the official target range. City doubts about the Budget

and about the inflation pros-vects were reflected yesterday in a further fall in stock market prices. The FT 30-share index propped by 14.7 to 474.2 following a 12.5 fall on Wednesday: the index has now declined by 5 per cent since the election. There were especially sharp falls in the share prices of big exporting companies which

might he hard hit by the com-

a firm exchange rate.

Base Rete edged stocks dropped by 12 points, with falls of a point at the short-end. The market has been expecting the announce-ment this afternoon of one or more new gilt-edged tap stocks, but the fall in prices raises

questions about whether this will now go ahead. There is still uncertainty about the level of snort- and long-term interest rates, and conditions remained unsettled in the money markets yester-

three-month Even though bination of large pay rises and rates have not yet risen to match the rise in MLR, the Prices of long-dated gilt- clearers decided to commit

themselves to a full two-point

announced varying rises in the interest rates paid on seven-day notice deposit accounts.

National Westminster and Midland increased their rates by two points to 111 per cent. while Lloyds raised its deposit rates from a lower previous level by 2½ points to 11½ per cent. Barclays was out of line with a 2½ point rise in its deposit rate to 12 per cent. An increase in the monthly charge on Barclaycard from 15 per cent (23.1 per cent a year) to 2 per cent (26.8 per cent).

was also announced yesterday with effect from July 20. This is the first rise in its interest rates since last July, in spite of the rise in the cost of manay in the interim.

Charges on Trustcard, offered by the Trustce Savings Banks, are to rise to a similar rate on the same date. The authorities seem deter-

mined to maintain MLR at 14 per cent for as long as is necessary to curb bank lending and to maintain an impression of monetary control. This may Continued on Back Page

Clearing Banks Table Page 10 Lex Back Page

International economic plan urged by Richardson

best hope for the international economy, Mr. Gordon Richardon, Governor of the Bank of England, said yesterday.

In the Henry Thornton ecture at the City University, London, he said such coordination "may comprise the most realistic framework in which the economy and policy of the late twentieth century can survive, and perhaps ultimately again

The Governor went considerably further in attacking the present system of floating, or semi-floating, exchange rates than he has in the past.

had severe limitations.

The key reasons for this were that the exchanges fluctuated on for shorter time scale than that required to make fundamental adjustments, the statisties were not reliable enough to ensure that the correct action. was taken and efficient induswere hit as much as inefficient ones.

The Governor went on to point out this central bankers could only obtain more stability on the exchange markets if there were co-ordinated inter-vention policies and a broadly consistent set of domestic poli-

This was the pattern that had begun to develop. "The increasing resort to summitdiplomacy, and the collaborative measures of November 1. 1978, may be seen as steps to-

regions or major powers.

ernor reiterated his cautious president and. I hope with the mately, it may prove, to make

in some countries, manutary policies could be used in a complementary rather than competitive manner.

"In attempting to reduce in

BY, DAVID FREUD WIDESPREAD co-ordination of suggested that attempts to competibility of individual ecoadjust to countries' differences nomic management and ex-in economic performance change rate policies between economic and financial targets by the major powers was the

international

thrive. The address was called "The Prospects for an International Monetary System." It represents a major statement of the Bank's views on international economic

He said recent experience

through dexible exchange rates

Within this context the Gov-

welcome for the objectives of the European Monetary System. He described the emergence of the system as "an attempt both to achieve greater regional. exchange rate stability and ulti- for the most progressive candiregional contribution to the "...d's reserve asset problem." The Governor also suggested that contrary to recent experi-! a lot in common."

Settonary expectations and infationary wage settlements declared constraints of an evelonge rate and a monetary fully reinforce each other," he

RTZ to rescue Wheal Jane

BY PAUL CHEESEWRIGHT AND JOHN ELLIOTT

decision directly attributed by £6m Rio Tinto Zine which is to go ahead with its rescue for the Cornish Wheal Jane tin mine. Last week an application by RTZ to the Industry Depart-ment for state aid of up to £2.5m or £3m to help save the failed mine, received a rough ride from Cabinet Ministers. But yesterday the company said that subject to technical

commercial studies, it

would go shead with its rescue

plan, whether it receives

Arts

RTZ issued a statement which climate created by the Budget said its decision to undertake a was announced yesterday by more detailed examination of the mine was a response to the "new thinking outlined by the Chancellor of the Exchequer in

> requires a positive response from industry. This message was sent to the Government and was regarded by Ministers as support for their view that taxation incentives. rather than state aid, are the best way to encourage companies

to invest.

schemes were cut back and if those which remain were subjected to tougher criteria. Sir Keith Joseph. Industry Secretary, whose Minister of Sinte. Lord Trenchard, has been handling the Wheal Jane case is now conducting a detailed

The chance of Wheal Jane's Continued on Back Page A spokesman for the Con-Government assistance or not. federation of British Industry

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THE FIRST major investment. The rescue could cost up to said it was "delighted to see this early evidence of a new spirit related so directly to the Bud

Opponents of industrial aid schemes fostered by the last Government will point to the decision as evidence that public his Budget speech, which money could be saved if the

remain of the aid schemes.

Pipes and pinelines 21-24

suffer any financial hardship if anything should happen to you. It means providing as much protection for your daughter's guitar and your wife's iewellery as you do for the car you drive.

Ir means being sure you have the resources to deal with your own retirement plans as well as your children's education.

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Healey tops 'shadow' list in close vote

BY RICHARD EVANS, LOBBY EDITOR

MR. DENIS HEALEY topped the elections to the shadow Cabinet last night, but he was closely pursued by Mr. John Silkin and Mr. Peter Shore, who are rapidly emerging as leading contenders for the Labour Party leadership when Mr. Callaghar, retires

Government maintained the huge public investment in the coal industry. Mr. Callaghan retires. He has changed his mind The contest, a crucial indiabout retiring before the end of the year, after castigating the cator of support among Labour MPs who form the electoral collatest militant remarks of Mr. lege for the party leadership, produced a remarkably even Mick McGahey, NUM vice-president and strongest contender for ballot between left and right. and showed how open the fight He said he could see no pos-

for the leadership has become. All the top three have been given key roles in Opposition sibility of his going before the union's annual conference in July next year. If he sticks to by Mr. Callaghan, with Mr. that date, it will rule out Mr. Healey remaining surprisingly, after so many arduous years, as economic affairs spokesman; McGahey, who is 55 next May. on grounds of age.

Mr. Gormley's pronouncement, and his determination Mr. John Silkin shadowing in-dustry; and Mr. Shore as

not to see the union and the foreign affairs spokesman. Government at each other's The next two names in the throats, will come as a relief to list, Mr. Ray Hattersley and Ministers. They cannot have viewed with equanimity the pos-Mr. Eric Varley, are also likely leadership candidates. But Mr. sibility of Mr. McGahey, who is Varley, who becomes employment spokesman, has probably chairman of the Communist Party, taking the reins. a better chance to shine in Without naming Mr. McGahey. the NUM president interpreted Opposition than the ambitious Mr. Hattersley, who shadows the remarks Mr. McGahey made

environment and housing. Mr. Healey, who gained 153 votes, must remain favourile for the succession, but at 61 he must hope that Mr. Callschan will retire early in the present Parliament. There is also a that the union should "use its question mark over the former trade union, and was tactamount to saying: "We don't believe in Chancellor's close identification with the policies of the last government, which were rejected so substantially at the

general election. Perhaps the most impressive showing was that of Mr. Sillin. He gained 148 votes and has come up for in party standing because of his flame anti-Market attitudes and his touch negotialing to the of Brussels. as Agriculture Plinister.

"As far as Mr. Gormley's Mr. Silkin, who had the supearly retirement is concerned. המל לס clearly also goined the booking of many anti-Market but not necessarily Left-wing members of the Parliamentary Labour as national president, but if I cannot do so I shall continue to Party. He is the son of a former Cabinet Minister and is a for-

mer party Chief Villip.

The performance of Mr. Shore was also impressive, as he was elected neither on the Tribune group slate nor that of the Manifesto group of moderates. He is also an anti-Marketeer and has the advantage of bring regarded as a Left-winger, although he has moderated many of his views in recent years and has gained the respect of a wide range of party opinion for his abilities. He is

Further down the pecking order are Mr. Stan Orme, who returns to health and social services in Opposition; Mr. Albert Booth, who shadows transport; and Mr. William Rodgers, one of the most articulate right-wingers, who

takes on defence. Near the bottom of the successful candidates were Mr. Merlyn Rees, who stays as home affairs spokesman, as well as covering Commons procedure; Dr. David Owen, who is made energy spokesman; Mr. Roy Mason, who takes on the sensitive Common Market subject of agriculture; and Mr. John Smith, former Trade Secretary, who will speak on trade and

prices.
The remaining members of the shadow Cabinet and their portfolios will be chosen and announced by Mr. Callaghan nem week.

There was an immediate move at last night's meeting of the PLP by Mr. Anthony Wedgwood-Benn, who did not stand for the shadow Cabinet. to ensure that in future all the membership is elected by MPs instead of just the top 12 as at present. The proposal is to he considered by the party's liated committee, but is unlikely to no accepted. Mr. Michael Foot, who did not

stand for the shadow cabinet because of his role as Deputy Leader is to be shadow Leader of the House, as well as retain-ing responsibility for devolution. Leading contenders who did not make the top 12 were two Leitering members of Labour's National Emperime Committee, Mr. Eric Maffor and Str. Nell

Figuret. They were followed by right-wincer Dr. Dickson Mabon and the Left-wing Mr. Norman The two members of the outgoing Cabinet who did not succeed in the elections were Mr. Bruce Millan, former Scottish Secretary, and Mr. Fred Muller former Defence Secre-

Indich Hart, made a Dame in Mr. Calleghan's dissolution honours, also failed to be Details, Page 14

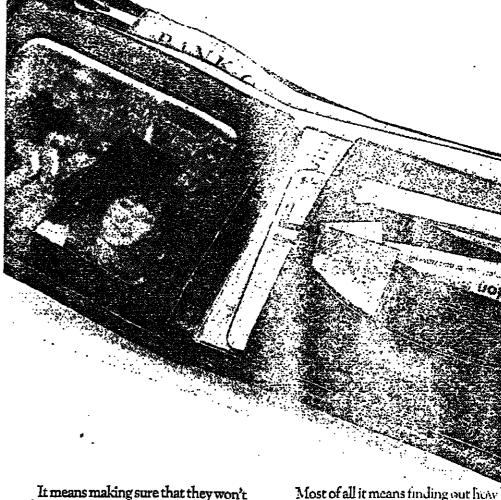
tary, who came well down the

Gereid Kaufman and Mrs.

Former Ministers Mr.

Elin Law York June 13 \$2,1050,1040,52,1000,1010 0.78-0.70 dis ,0,63-0,55 dis 1,20-1,72 dis 1,55-1,45 dis 4,70-4,40 dis 5,05-4,55 dis

1 menth 3 menths Scots miners want 60% Page 14, well placed as a leadership con-Caring for your family means more than keeping their pictures in your wallet.



Hopes of major Norwegian oil discovery

BY KEVIN DONE, ENERGY CORRESPONDENT

ploration well on the so-called Hydro and Saga Petroleum—is "golden block" in the Nor-planning to drill two more wells wegian sector of the North Sea on this structure before the end have strengthened hopes of a of the year, major new oil discovery.

Statoil, the Norwegian state Petroleum It has refused to speculate on the field's potential reserves, but it is understood that the discovery could eventually come close to rivalling the large Statfjord Field, the biggest oil

field vet discovered in the North Sea.
The latest well was the third to be drilled on the block. Two separate structures have been identified on block 34/10, but the main attention is being concentrated on the earliest find.

The latest well was drilled to appraise the wildcat discovery well drilled last year, which produced flows of crude oil of up to 6.600 barrels a day in several

Results of this second well on the structure were released this week and show that three tests or gas into an oil reservoir is a

THE RESULTS of the latest ex- remainder is held by Norsk

Meanwhile, the Norwegian etroleum Directorate has oil company, which is the approved a proposal from the operator for the block, said vesterday that it was "very optimistic" about the discovery.

It has refused to manufactured before the Ekofisk Field, the main field already in production in the Norwegian sector

If successful, the plan to begin water injection could signifi-cantly add to the recoverable oil reserves in the seven-field Ekofisk complex.

Phillips Petroleum, the opera-tor for the Ekofisk area, said yesterday it would be investing \$14.5m in the pilot project. It is currently able to recover only between 15 and 20 per cent of the oil in place, but water injection could boost recovery to 25-30 per cent.

to begin in 1981. If the method uccessful it will be applied to all the fields in the area.

The injection of either water oduced flows of crude of up to standard way of improving the level of recovery and is already 2,800 barrels a day.

Statoil, which has an 85 per being used on several fields in cent interest in the block—the the UK sector of the North Sea.

French curb immigrants

FURTHER CONTROLS on im- mean a larger measure of migrant workers in France are contained in a Bill approved by the Cabinet this week. The Government plans to renewed. The rules make this tighten up on renewal of the much less automatic than be-

work and residence permits fore held by the country's 4.1m U

ordinary work and residence permit will last for three years. Initial plans for one-year papers met fierce protest from the mental quota corresponding to left-wing unions. This will job possibilities."

Holland

problems.

First water injection is likely

security for many foreign workers currently on one-year papers—that is if their papers are

Unlike "privileged residents" whose ten-year permits will be Under the new rules the renewed automatically most will be at the discretion of the prefect of each department, "in the framework of a depart-

Restrictions on driving urged in

By Charles Batchelor in Amsterdam

THE NETHERLANDS should ban driving on certain days and levy higher taxes on cars with heavy petrol consumption if the Government's appeal for voluntary savings fails. These recommendations are contained in a report drawn up by the General Energy Council, a government | Soviet-U.S. relations has become body on energy advisory

The council singled out motor fuel as requiring special attention since the demand for this and other distillates such as jet kerosene and gas oil could lead to sharp price rises on the Rotterdam oil spot market. Only a few months remain to build up the Netherlands' depleted oil supplies if the appeal for voluntary cuts fails,

Mr. Dries van Agt, the Prime Minister, has already indicated he is gloomy about the prospect of achieving the savings by voluntary means. The Govern-ment has said however that it would wait until mid-summer before taking further measures.
Immediate action which could

be taken to cut the use of fuel by car drivers includes firmer controls on speed limits, restrictions on the opening hours of petrol stations, and a ban on car driving on certain days. It also suggested encouraging car-pooling by allowing cars with three or more occupants to use bus and taxi lanes.

Longer term measures include putting sharply progressive rates of tax on new cars which con-sume a lot of petrol. Tax measures could also be used to stimulate the use of dieselengined cars.

A majority of MPs in Parliament appeared in favour of enforcing savings during a debate on the Government's voluntary measures, which were first announced in April With the exception of the Liberals, the junior partner in the two-party ruling coalition.

all parties were in favour of imposing restrictions.

CARTER AND BREZHNEV SET TO SIGN ARMS TREATY ON MONDAY

Wary Soviet approach to summit

summit meeting in Vienna, the the recent past, first in more than five years, a mood of resignation and wari- Mr. Andrei Gromyo, the Foreign ness prevails on the Soviet side. Minister, Mr. Konstantin Cherpaper Pravda, in its definitive review of the Soviet position

before the meeting, has called for new moves toward disarmament but says that because of the activities of those opposed to detente, the development of rather than anger.

The drafting of the second Strategic Arms Limitation Treaty will be completed in Geneva this weekend after sixand-a-half years of negotiation and the document should be ready for signing by President Carter and Mr. Leonid Brezhnev, the Soviet President, on Monday. There will also be, during the next few days, much of the symbolism of great power equality and co-operation which

is deeply important to the Soviet

There is no reason, however, impressions they take away to expect major progress on any with them, and a matter of conof the remaining basic issues the Middle East, Africa, dis-armament or human rights— with which they are treated by over which the Soviet Union President Carter and his aides.

ON THE EVE of the U.S.-Soviet and the U.S. have clashed in The Soviet delegation includes

The Communist Party news nyenko, Mr. Brezhnev's top aide. Mr. Dmitri Ustinov, the Defence Minister, and Marshal Niolai Ogarkov, the Chief of Staff The presence of Mr. Ustinov

and Mr. Ogarkov is taken as further confirmation that the Soviet Union would like to discuss a wide range of disarma-"noticeably more complicated in recent years." The tone appeared to reflect sadness talks, agreements on conventional weapons transfers, a nuclear testing ban and the pro-scribing of killer satellites. No substantial movement in

> nine hours of talks that the leaders have scheduled for Saturday, Sunday and Monday. It appears equally unlikely that President Carter will be able to persuade Moscow to moderate its deep opposition to U.S. policies in the Middle East or southern Africa. More important may be the

any of these areas is expected, however, in the approximately

siderable importance for the



President Leonid Brezhuev The shadow of Senate ratifica-

tions of SALT II is inescapable here both because the treaty is by far the most significant sign of progress in Soviet-U.S. relations and because Moscow has already made gestures, both in its treatment of dissidents and in foreign policy, to appease Senate opinion. It may be forced

detente for political, military, mean very soon.

economic and psychological reasons, but there is no guarantee they will pay the price for it if, in encounters with American leaders, they are not accorded the respectability which, for them, is one of the principal rewards of detente.

The Pravda editorial recalls that during the war the Soviet Union and the U.S. were allies. and relations developed on the basis of "equality and mutual confidence." This equality and co-operation is what the Soviet Union wants today but it wants it on its own terms and without regard to Soviet internal prac-tices or foreign policy in areas not directly bearing on bilateral relations with the U.S.

Prayda says that relations are at a complicated and "contradictory" stage and it is necessary "to draw the proper con-clusions" from the "objective processes" before it is "too

With Mr. Brezhnev obviously in failing health and with the need for a new balance of forces in the ruling Politburo to make Soviet policy in the post-Brezhnev era, the "proper conclusions" in Soviet eyes may be greater tolerance for their to make many more.

The Soviet leaders want foreign and domestic policies, and before it is "too late" may

an annual average real growth

This figure is generally con-

today By Rupert Comwell in Rom

EUROPEAN PROBLEMS, not ably the EEC budget and the mechanism of the common farm policy, will be at the centre of talks in London today between Mrs. Thatcher and Sig. Gulio Andreotti, the Italian Prime

Andreotti,

Thatcher

talks

The visit of the Italian leader is at the invitation of Mrs. Thatcher, who thus completes an initial series of meetings with the leaders of the other major Common Market countries, after talks with Chancellor Helmut Schmidt and President Giscard D'Estaing.

The primary function of the talks will be exploratory and to help prepare for the forth-coming European Council in Strasbourg and the Western industrial summit in Tokyo. Although only caretaker Prime Minister, Sig. Andreotti will be representing Italy on both

More important, however, will be whether common ground can be established between the two leaders for a co-ordinated approach on key Community issues. Both countries are resentful of being among the poorest EEC members and among the largest contributors to the budget.

Similarly, Italy shares several of Britain's grievances against the Common Agricultural Policy as it currently operates. It may find the less rancorous approach of the Conservative Government more to its taste.

Another point likely to be raised by the Italians concerns Britain's position on member-ship of the European Monetary System, once the first review

Big investment rise foreseen in W. Germany

BY ROGER BOYES IN BONN

expect real investment in the manufacturing and mining sec-tors to increase by a healthy 7 per cent this year, according to a survey for release today by IFO, the Munich-based economic research institute.

The report, based on an analysis of the 1979 plans of some 4.000 concerns, reflects the generally high confidence in the German investment climate despite uncertainties over the energy outlook.

IFO noted that investment in manufacturing industry rose last year to DM40.1bn (£10.2bn)

WEST GERMAN industrialists which, after adjustments for facturing sector, capital goods investment growth was destined price rises, also represents a 7 per cent increase.

> A total 54 per cent of the in-dustrialists questioned by IFO said that they would increase investment this year, 25 per cent said they would maintain the 1978 level while 21 per cent said they were intending to cut

> investment in 1979. Capital goods investment, IFO said, was proving to be the main force behind the current economic upswing Although

will attract the most invest to slow down considerably. An ment, with an anticipated IFO report in March predicted increase of 11-12 per cent.

Basic and production goods, of only 4.1 per cent between as well as the mining industry, will also benefit from a significant rise in investment. And after particularly low invest- sidered to be too low to reduce of its working has been carried ment growth in 1978, the iron unemployment out in September. and steel industries are planning to raise their investment by over 20 per cent.

Despite the optimistic tenor of the IPO report, the institute the investment increases are has not qualified its earlier con-likely to affect every manu-clusion that medium - term

Clydesdale Bank

RATE

Clydesdale Bank Limited announces that with effect from 15th June, 1979, its Base Rate for lending is being increased from 12% to 14% per annum.

This announcement appears as a matter of record only.

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Barcelona, Spain

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Bleak 1980s outlook for industry in Sweden

BY WILLIAM DULLFORCE IN STOCKHOLM

FAR-REACHING changes will sumption and an increase in-have to be made in the Swedish real disposable incomes of less economy in the next decade, but growth will be much lower than in the 1950s and 1960s. Some faster than imports, at annual 187,000 jobs in industry are rates of 5.7 per cent against 4.3

Economic Research Institute.

To solve economic problems much closer alignment had to be achieved in the aims of workers, managers and politicians, the study said. Expansion of the public sector had to be curbed: Swedes had to accept a slower improvement in incomes and the inflation rate had to be kept low enough to give investors faith in the re-

turn on their capital. The institute took as a reference point an annual growth rate of 2.8 per cent in Sweden's GNP during the first half of the 1980s. Even this moderate growth called for optimistic assumptions compared with developments in the 1960s. when GNP growth averaged 4.5

per cent a year.

The institute's model postulated 4 per cent GNP in OECD countries, a 5 per cent annual increase in Swedish consumer prices, curbs on domestic con-

than 1 per cent a year. Even with exports growing

per cent, it expected Sweden's This is the message of a 370- net foreign indebtedness to page study, released yesterday grow to about 11 per cent of by the independent Industrial GNP in the first half of the satisfactory profitability by 1986 prices and costs would have to

develop more favourably than

at any time since the war. The institute questioned whether Sweden could run a steel industry based on iron ore and said 38.000 of the 50.000 employed in the industry risked losing their jobs.
Some 40 000 of the 55 000 jobs in the shipvards and shipping companies were threatened. The

sidies were only giving other countries more time to catch The institute calculated that 50,000 of the 196,000 employed by the forest industries could

study argued that national sub-

lose their jobs. FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second class postage paid at New York. N.Y. and at additional mailing centres.



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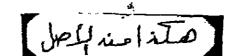
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lection setbacks likely to strengthen hard-liners

low started inside of the month. serious setback in olls, risks making forming a new even more difficult

 past 24 hours, the leadership has issess the implicaand already there : party.

uncertain situation. political parties, long - ruling Democrats and the are anxiously await-utcome of the Com-If-examination and the

us to quit Austrian

MONTOUS debate central committee at the end During the next weeks, the Communists are due to elect a

changes in the party hierarchy. The new leadership structure was to have been chosen at the end of the party congress in March but it was decided to postpone the nomination until after the general and European elections. Although the Congress con-

if bitter controversy firmed Sig. Enrico Berlinguer as secretary-general, he is now under intense pressure following the electoral setback and the apparent failure of the "compromesso storico."

This grand alliance of all democratic forces was proposed essentially to bring the Communists gradually into govern-ment directly with the Christian

secretaries-general, flanking Sig. Berlinguer. A major reshuffle of the top leadership is also expected and certain members of the hierarchy could well lose

These appointments will give the first tangible clue to the political direction the party intends to take. It is generally assumed that a number of hardliners, who have been increas-ingly critical of party policies in recent years will emerge in key postions.

The immediate issue facing party. the Communists is the role Sig. Pietro Ingrao will assume in the party. A highly respected

The new leadership structure is likely to be much more collegial than in the past and could the party and has also been an indicated they would support a time of renewed economic gial than in the past and could the party and has also been an well see the appointment for outspoken critic of party directorate and secretariat, the first time of two deputy policies. In the general election which could see some major secretaries general, flanking Sig. he was one of the few Comhe was one of the few Com-munists to see his preference votes increase compared with the 1976 election.

However, as the first Com-

munist president of the Chamber, Sig. Ingrao has inevitchamber, sig. Ingrao has inevitably had to devote more time to his institutional tasks rather than to party activities. Although Sig. Berlinguer and other top Communists would like him to stand again for presidency of the chamber, Sig. Ingrao has made it clear he wants a more active role in the

Ingrao among the new party leaders would not only be sigparty member and former presinificant, but would also make cerned about the adoption of a dent of the Chamber of more difficult the election of a tough Communist opposition

Sig. Ingrao's candidature for the chamber, as well as reconfirming the veteran Christian Democrat, Sig. Amintore Fanfani, as president of the Senate. But should Sig. Ingrao not stand, other parties could well decide to propose their own

In any event, the Communists in the last 24 hours have explicitly confirmed their decision to return to opposition unless they are given seats in the Cabinet.

candidates.

This raises the crucial question of what sort of attitude the party intends to adopt in oppo-sition, especially if hard-liners appointment of Sig. prevail in the current debate. Both the Christian Democrats and Socialists are deeply con-

and social anxieties.

The Christian Democrats have already indicated they will try to persuade the Communists to participate in a governing alliance short of their direct entry into government. However, they themselves are by no means united.

The elections have not proved the success the party had hoped. Moreover, it is in the throes of traditional manoeuvring in anticipation of the congress next autumn.

As for the Socialists, who will play a central role in the formation of the new government, they are playing a waiting game to see how the cards will fall during the next few weeks inside the Christian Communist Democrat and



Sig. Enrico Berlinguer

end each month and one work-

severe fuel problems, which

have become even more acute

as a result of the likely can

cellation of the three-cornered

Soviet-Iranian-Czech deal. This

would have provided Czecho-

slovakia massive deliveries of

natural gas in the 1981-2003 period involving a sum of

delivering this year 18.3m tons.

crisis Czechoslovakia has had to import an extra 300,000 tons

of crude from non-Comecon

sources this year.

Owing to the winter energy

.5bn under a 1976 contract.

ing day every week.

Czechoslovakia also

Soviet economy recovers slightly

By Our Moscow Correspondent

THE SOVIET economy has recovered only slightly from a disastrous first quarter, when production lagged behind last year's levels. Newly released figures show plan targets for January-to-May were exceeded slightly, but they also display some serious weaknesses in key

Volume of production as a whole during the five months rose only 3.6 per cent, compared with 5.7 per cent called for in the 1979 plan. Productivity was up by 2.5 per cent. compared with a goal of 4.7 per

Eight industrial ministries and two highly developed republics, the Ukraine and Estonia, failed to reach their targets. One of the most serious that fails which are shortfalls was oil which, at 48.2m tons, was 2m tons short of the May goal.

The Soviet Press says the oil industry is now 3.1m tons behind this year's plan, but Western observers think the gap is nearer 7m tons.

Coal production increased to a five-month total of 306m tons. The Russians claim this is 4.7m tons over plan, but on the basis of published goals, it is actually 7m tons short. Gas continued to perform strongly, advancing 9 per cent over the similar period in 1978.

The Soviet chemicals sector is still experiencing difficulties, particularly mineral fertilisers. which are 8 per cent below last year's output level. Machinery building is also lagging badly and the Press is complaining that the industry now owes the economy equipment roubles 800m (£584m).
The timber and

industries, too, are in a very serious situation, partly because of railway bottlenecks.

Swiss output up

INDUSTRIAL production in Switzerland rose 3 per cent in the first quarter of 1979 water, gas and electricity proper cent lower than for last year's final quarter, but this is a usual seasonal phenomenon. building and metals, the leather, rubber and plastics group, and

position chief OSEF TAUS, leader of the e's Party, the main ian opposition party, has ed not to seek re-election. 46-year-old former banker, has twice been defeated in ral elections by Chancellor o Kreisky, said that disment over reform of the / structure was the main

m for his decision. s successor is likely to be Alois Mock, leader of the s a year younger than Dr. and worked as a junior omat and secretary to a er Chancellor, before pro-on to the post of Minister

Education.

ly a few weeks ago, Dr. s's colleagues publicly ged loyalty to him, saying no one could have done er against the Socialists who ited from the great perte People's Party is a ition of three lobbies repreing the interests of farmers, kers. This structure, coupled the power of the provincial ernors, is seen by Dr. Taus major barrier to a much led centralisation of party sion-making and financial

E. Europe petrol prices go up in bid to cut imports

BY PAUL LENDYAL IN VIENNA

petrol and petroleum products

Soviet Union, output has been

Romania is the only Comecon isolated from the rising price of Furthermore the Government

by the Hungarian and Romanian

a low of 13.7m tons last year any Soviet oil. Neighbouring additional factor is the begin
governments. Scinteia. the and in March President Hungary, which gets 80 per ning of the tourist season and Neighbouring Yugoslavia,

Romanian party newspaper, Ceausescu revealed that cent of its imported energy and the arrival in Hungary of which has to import 12m tons efforts within Comecon to cope level of imports.

with the fuel crisis.

In a lengthy e

BY GUY HAWTIN IN FRANKFURT

OIL SUBSTITUTION pro-

cesses, such as coal gasifica-

tion and exploitation of oil

shale, are rapidly becoming paying propositions as a result of this year's oil price

increases. This was claimed

yesterday by the West German Lurgi group, one of the market leaders in the

The heavy engineering group urged governments and

corporations to start planning

for introduction of oit; sub-stitution as soon as a sible because of the long periods needed for planning and con-

publicly demanded co-ordinated domestic output was below the

cent and also demanded in fuel and energy policy was stringent economy measures in still not adequate. It recompear—in the first week of resources and imported 12m. The oil bill accounts for one-public administration. Although mended "firm" action to launch January petrol prices went up tons last year, doubled petrol third of the country's foreign it is the second largest oil pro-co-operation ventures in order by 25 per cent. The announce-prices in mid-May after a trade deficit. In addition, the

struction of plant, Herr Heinz Hiller, a

member of Lurgi's executive

Board, said that with crude oil prices above \$20 a barrel,

plant for the production of oil

from shale has become com-

petitive. A plant for convert-

ing German brown coal to

methanol fuel would be

economie at an oil price of

823 a barrel.
The imminent appearance

of oil substitution as a paying

proposition was illustrated

by the price of \$21.40 per

barrel set for Libyan crude and the \$27 per barrel

STEEP PRICE increases for ducer in the east blor after the to reduce Comecon oil imports. ment said Hungary cannot be similar price increase in 1978. Government reduced the maxi-In a lengthy editorial on the increased the average price of

reached on the Rotterdam spot

While oil currently still has

a substantial edge on sub-

stitute products, recent trends

have shown that oil prices

will continue sharply up-wards, he said. Current oil

reserves of an estimated 90bn

tonnes covered 30 years' con-

sumption and the shortage of

supply would inevitably lead

to higher prices. Herr Hiller said that,

although plant for the conver-

Sion of coal to benzine and

light oil was estimated to be

This is the second rise this oil consumption from domestic months.

expensive as an oil refinery,

rising oil prices were rapidly

A coal conversion plant,

designed and conceived for

South Africa, for instance,

could produce benzine and

diesel oil at the equivalent

price of \$25 a barrel. An important by-product of the

plant was methane - as in

However, from planning to

production required four to

tive years. During this time,

the plant would become far

more competitive as the oil

natural gas.

making it competitive.

Romania is the only Comecon isolated from the rising price of Furthermore the Government mum speed limit and Yugoslavs

which has to import 12m tons over 90 per cent of its crude several hundred thousand of crude this year in addition imports from the Soviet Union, foreign cars. with the fuel crisis.

In a lengthy editorial on the increased the average price of Romania has increased the eve of the price increase, petrol by 20 per cent on countries, Bulgaria, which by on average 13 per cent, the price of petrol and oil by 40 per Scinteia said that co-operation Tuesday.

The Soviets supply 93 per cent of Czechoslovakia's oil needs, Governments urged to draw up oil substitution plans

price was bound to increase at

a faster rate than that of coal. Even in the field of coking coal for steel production, substitution would be needed if, as predicted, world steel production rose from the current 700m tonnes a year to 1bn tonnes a year by the end of the 1980s.

Lurgi, together with British Steel, have developed a method for converting lower qualities of coal to coking coal that could be used without problems in conventional blast furnaces.

Fuel supply problems figured

prominently in talks Soviet leaders have conducted in Hungary and Czechoslovakia in the last few weeks. It is understood that the Soviets told their East European allies that they will have to introduce stringent economy measures and raise petrol prices to dampen demand. AP adds from Moscow: A Kremlin decree published yesterday called for a "very strict regime" of energysaving measures throughout the

compared with the same period last year, after exclusion of duction, whites John Wicks in Zurich. Output volume, was 12 The most important growth rates were those in machinethe paper industry.

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Soviet Union.

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Lional Banks inde

Labour unrest hits Spain as inflation rate surges

ine, are planning to extend heir six week old work to rule nto an indefinite strike, miners n the northern region of Leon nave just temporarily ended a ieven-day occupation of local nines, while the country's 50,000 shipyard workers begin i third day of stoppages today.

Although each dispute has different roots, the rise in labour onrest looks had for the Government. It is probable that Spain's collective bargaining agreements will have to be renegotiated if this year's rise in the consumer price index lops 6.5 per cent by the end of

The Iberia pilots' work to rule has caused the cancellation of an average dozen, mostly inter-nal flights, a day over the past

The dispute is over conditions: pilots' representatives claim that a further 400 pilots are

ABOUR UNREST has again needed in addition to the exist-come to the fore in Spain. ing \$12. They claim that this four executives hostage until callots of Iberia, the national air is the fundamental reason for they were guaranteed payments. schedule disruption, merely highlighted by their

rigid work to rule.

The pilots organisation
SEPLA has therefore begun
proceedings for a legal strike, of indefinite duration. This will effectively ground all internal and international flights in about eight days' time unless Spain's 60.000 shipyard wor-

kers, meanwhile, plan to extend the one-hour stoppages carried out on Tuesday and Wednesday into further stoppages and demonstrations today. They plan to escalate action until the Government implements the restructuring scheme agreed with the unions last sum-

the Antracitas de Fabero com- region.

of three months outstanding wages.

The non-payment results from the outstanding debts of the state-owned utility Endesa, which owes some Pta 3bn (£32m) to local antiracite producers. After a seven-day sit-in, the conflict has been temporarily resolved by the Government releasing Pta 800m to Endesa.

The miners freed the remaining two executives yesterday morning—two had already been released for health reasons— and accepted payment of their March wages as evidence of good

However, Antracitas de Fabero has only received Pta 24m of the Pta 116m owing from Endesa. But the miners' dispute in and the miners threaten to re-Leon has been the most dra-matic labour conflict this year. occupy the mine unless they are promptly paid. The dispute prompted a general strike in the

Hope of breakthrough in struggle for a new Lome convention

BY MARGARET VAN HATTEM IN BRUSSELS

A BIG struggle is going on in having welded a very artificial ment aid" the hefty subsidies Brussels ostensibly to ensure union into a truly cooperative that the man on the Timbuktu effort, were savouring a new ombnibus continues to receive, sense of power. People began each year, the sum of \$4 from to talk about a new economic his legendary counterpart in order in the world.

Probably neither of them knows anything about the deal, or about the Lomé convention which guarantees it, or of the

battle to keep it going.

Like so many EEC ventures,
the convention has failed to become a household word. But, unlike more ambitious efforts in Third World developmentsuch as the North-South dialogue, UNCTAD 5 or the plans for a common fund for third world commodities - it became a reality. Whether it is to outgrow its sickly infancy may be decided within the next month or two. Last month talks broke down.

The Lomé convention 1976-80 successor to the earlier Yaounde agreement by including the former British colonies, grew out of a mixture of self-interest and altruism. The Nine tried to reconcile: a genuine desire to help the then 46-now 57-African, Caribbean and Pacific nations (most of them former European colonies) who made up the ACP group; a wish to promote trade and protect their investments in these countries; signatories had not foreseen, and a fear that other third might follow the OPEC example and squeeze their Western

It started out with a budget of about 3.4bn Units of Account (\$4.4bn) for the five years. This covered a 375m UA fund, known as Stabex, to compensate losses in earnings from exports of several major ACP primary products (mostly unprocessed or semi-processed farm products) and provided loans and grants for development projects (emphasising rural develop-ment). The convention provided free access to EEC markets for Barbados, and Trinidad and 99 per cent of ACP goods Tobago—left a bitter taste in (mostly farm products—goods everyone's mouth. Basically, it which might compete with EEC is a deal to allow these Commonproducts, such as temperate wealth countries to maintain farm products and certain traditional sales of raw sugar, manufactures, were excluded). mainly to the UK refiner Tate It guaranteed access to EEC and Lyle, whose facilities are markets at the Community's geared to cane sugar and cannot own supported prices for a fixed be adapted to beet sugar manu-

The signing took place in Although the ACP are guaran-Lome, capital of Togo, on a teed access at prices "within wave of euphoria. The EEC the FEC range," the sales are wave of euphoria. The EEC the EEC range, use some states was delighted to be showing strictly private commercial deals. Nevertheless there are hopes the rest of the industrialised and no EEC funds have yet been of a breakthrough in the next involved. This has not prefew days, perhaps leading to a new of talks and a new

Signed in a wave of euphoria, the Lomé convention has left developing countries with the feeling that the agreement they got was not the one they signed. They are looking for big changes in the successor pact.

But the post-oil shock recession didn't bottom out, it got worse. EEC unemployment The ACP didn't form community cartels, they began to act like people who didn't know each other awfully well.
and weren't sure they had a lot in common. Various bits of the convention began to behave in a way some of the The ACP were selling more nod to the Community. particularly Germany, France and the Netherlands. Their exports grew by 20 per cent a year. But this was quickly overtaken by their imports of machinery and capital goods from the EEC, particularly Germany, France and Britain. Within four years, the ACP's \$5.7bn trade surplus with the Community had

turned into a deficit. The sugar protocol-which is important to Mauritius, Fiji, Guyana, Swaziland and Caribbean states like Jamaica.

countries how to go into involved. This has not prefew days, perhaps leading to a partnership with the third vented the EEC commission final round of talks and a new world. The ACP countries, from writing off as a "develop-convention next month.

paid to its own producers to dump a corresponding amount of surplus EEC sugar on world

> Similar problems cropped up with the arrangements for rum. bananas and heef. Some parts of the convention worked quite well as far as they went. Stabex, for example, gave much-needed relief to small countries such as Benin, Burundi and the Ivory Coast when crops failed or prices fell. But it could do little for the bigger countries or for mineral producers, whose producers, whose products were not covered. The ACP began to feel the convention they had got was not the one they signed.

> They may have expected too much, both of themselves and of the EEC. The Community, after all, has other commit-ments—to the Maghreb and Mashreq countries, to India and Bangladesh, as well as to its own depressed regions. And the ACP governments were not always perfect partners in development.

Nevertheless, the EEC was doing rather well out of trade with the ACP countries, so that when negotiations for a successor convention opened 10 months ago, the ACP were looking for some big changes to swing things more their way. They wanted Stahex expanded to cover more products, and a similar system for minerals such as copper, bauxite and manganese. They wanted trade curbs on manufactures relaxed, a special fund set up for industrial development, and more say in running the convention.

Their demands have not got far. The EEC has gone a small part of the way in some areasa few more products in Stabex, a scheme to help maintain production among mineral projects on the point of collapse-but says most of the ACP ideas are just too expensive. The EEC is ready to adjust overall fund-ing to inflation, but will not boost the real value-a point on which the British take a particularly hard line.

The issue of money has perhaps been over-emphasised because it was the issue on which talks broke down last quota of ACP sugar, and it facture. The protocol involves month. Most of the other issues included special provisions for about 1.4m tonnes of raw sugar appear close to resolution. But restricted access to EEC a year, and is hotly resented by markets for beef, rum and the powerful EEC beet lobby. The acceptance is the acceptance of the other issues appear close to resolution. But the ACP says they will not resume talks unless the EEC bananas. and the Nine show little readiness to make more than cos-

Economic plan ready for China's **Parliament**

By David Housego and Colina MacDougall in Peking

CHINA IS expected to unveil its revised economic plan when the National People's Congress, officially the highest legislative body in the country, meets on Monday.

The delay in convening the Con gress, the date of which was announced by the New China News Agency, has been due to divisions in the leadership over economic policies and the pace of political liberalisation.

At the last Congress in Feb-ruary, 1978, Chairman Rua Guofeng announced the ambi-tious modernisation programme including 120 major capital projects. This has since been drastically pruned as the leadership has become aware of the spains produced by over-rapid expansion, shortages of raw materials and of foreign exchange.

Foreign companies with contracts under negotiation in China have been awaiting the revision of the plan because the economic slowdown has resulted in a virtual freeze on the signing of new agree-ments for major foreign plant

Industrial output

Industrial output in the first quarter of 1979 grew at only 5.6 per cent compared with the similar period of 1978. That contrasts with the 13-14 per cent growth rate achieved during the recovery of the recovery of the economy last year and in 1977 after the political disruptions surrounding Chairman Mao's death.

The New China News Agency said in its announcement yesterday that among the laws that would be passed by the congress would be one governing joint ventures between Chinese organisations and foreign firms. One of the stumbling blocks to companies wanting to invest in China has been the lack of a commercial code safeguarding them, for instance, from nationalisation, and also guaranteeing repatriation of

profits. Parallel to setting the guidelines for readjustment to the economy over the next three years, the congress is also exected to reveal how much liberalisation the leadership is willing to tolerate. On this there are divisions of both policy and personality.

ice-Premier Deng Xiaoping, who encouraged the voicing of dissent in December, was clearly taken aback by the strength of popular agitation Democracy Wall " in Peking and in demonstrations in Shanghai.

Maoist principles

Deng has been criticised by a faction in the leadership ask-ing for a stricter application of Maoist principles. Some observers believe he has also been blamed for the hasty and ambitious measures that brought waste and dislocation to the economy last year.

Vonetheless. Deng's political position still seems secure and may even be enhanced at the congress. In bringing back Chen Yun, a senior economic administrator whose reputation rests on salvaging the economy in the 1950s with a stabilisation plan, to master-mind the readjustment of the growth in the future.

Chen Yun is associated with Then Yun is associated with As the President was touring a belief in greater emphasis, the country appealing for on agriculture, light industry, greater efforts and higher proself-reliance and decentralisation. These are the policies that have been emerging in recent months with the down-

Iran bank nationalisation in tro

BY ANDREW WHITLEY IN TEHRAN

LAST FRIDAY'S nationalisa- reluctant government by the tion of privately owned banks by the Iranian government is running into difficulty. A num-ber of newly appointed bank managing directors are refusing to cooperate.

Banking officials say three

manazing directors—of the Omran, Etebarat and Iran-Arab banks—refuse to take up their appointments. Others are not going to their offices.

While the decision to restrict

their monthly salaries to a maximum of Rials 150,000 (£1.042), a tenth of what some managing directors used to earn, is a major concern, they are also worried about the nature of the nationalisation scheme, and the way it was nationalisation decision that it apparently forced on to a will be "edequate."

Revolutionary Council.

Meanwhile, it has been officially confirmed that two banks are exempted from the state take-over. These are the Soviet-owned Russodcan Bank and the newly formed Islanic Bank, which has not yet opened its doors to the public. In both cases pressure from their owners is understood to have led the Government to

back down. Foreign bankers here are confused over the planned extent of state control. Nor has the basis of compensation been clarified, beyond reassurances by officials not involved in the

one Western banker, redecting a widely shared feeling said Mr. Ali Ardalan, yesterday that "id compensation is in any way reasonable to should hurry and get out."

A new supervisory structure. A new supervisory structure nationalise four or is to be set up for the comitheught to be in mercial banks. Managing directors will report to a five or privately by Iranian seven-man hoard of directors. Saderat, Iranians, appointed by the Government Shahryr. The decito look after the day-to-day have been annuruming of the system. They saturday by Mr. Ar in turn will be responsible to However, the R a council of six Government Council is said

a council of six Government ministers acting as a bank general assembly. The council will include the Ministers of Commerce, Finance, Planning and Budget

However, the R Council is said pre-empted the ar

and the Prime Minister. Ardalan and Mr. A. Responsibility for implement the Governor of t ing the nationalisation pro- Bank, were not cons

informing N that all banks had t into public owne:

Attempt to cool constitution row India to

IRAN'S NEW constitution Sadr Haj Seyyed Javadi, the in the third week of July for could be approved by a coninterior minister. - representatives to a national could be approved by a constituent assembly within two months. But there are still sharp conflicts within the Government and clergy over how the draft should be debated and given its popular mandate.
The latest indications are that Ayatollah Khomeini may be backing down from his proposal to do away with an elected assembly and let the draft go to a national referendum after approval by a panel of experts and the

Revolutionary Council. Among several proposals being aired to end mounting opposition to the Khomeini pian are compromise formulas from Dr. Ibrahim Yazdi, the Persian daily, Ayandegan, yes-foreign minister, and Ahmad terday there would be elections

Under Dr. Yazdi's proposals, assembly to outlined yesterday in an interview with the English-language Tehran Times, different strands of opinion, fearful of being steamrollered by the Shia Moslem hardliners, could be represented in an elected con-stituent assembly. They would debate a draft already approved

by the revolutionary council

and it would then be put to a

referendum. A more liberal formula comes from Haj Seyyed Javadi, though it is not clear whether he is expressing more than a personal view. He told the

representatives to a national He said the constitution

would be drawn up by lawyers, implying that the drafts prepared so far would be scrapped, and presented stage by stage to the public for their reaction. The assembly would be more than just a consultative body.

A powerful factor behind the current heart-searching is the threat by Ayatollah Shariat-Madari, the 77-year-old Qom theologian who leads the moderate camp, to boycott any referendum on a constitution not previously approved by an elected constituent assembly.

S. Africa drops Press gag Bill

BY QUENTIN PEEL IN JOHANNESBURG

IN A remarkable climbdown He had described opposition to ness leader in 1977. In addition, from his confrontation with a it as "hysterical screaming." united South African Press, Mr. W. Botha, the Prime Minister, yesterday agreed to abandon his measure to curb newspaper reporting of corruption in government.

While threatening to take further steps against "certain irresponsible media," Mr. Botha announced the scrapping of the controversial gag clause of his advocate general bill, which would have stopped publication of corruption stories like the recent Muldergate scandal.

His decision, following outspoken criticism not only from preventing any reporting on the liberal English-language suspicious deaths before an Press, but also from the progovernment Afrikaans newspapers, was a complete reversal

academics and lawyers who had combined to fight the bill, they pointed out that Press reporting has already received a drastic setback this week with the azetting of amendment to the Police Act, curbing the free reporting of allegations of

Act also became law yesterday inquest Both laws are seen as intended to prevent a repetition of the publicity given to

the Petroleum Products Amend But while the climbdown was ment Bill will forbid all reporting of oil supply, storage and distribution either in South Africa or overseas, while the National Supplies Procurement Act will enable the government to declare whole sectors of the economy officially secret.

Mr. Botha's sudden change of heart on the Advocate General's brutality and maladministration bill is undoubtedly a response in the police force. to the unprecedented resistance

Five major items of legisla- it gentlisted especially within
tion aimed at curbing press, his own party. But his resentreporting have been brought to ment of press reporting parliament this session. Apart especially over the battering from the police amendment act, taken by the Government an amendment to the Inquest because of the information scandal remains.

In his statement to partiament, he warned that "government and public concern the donor countries' pledges link almost all aid to projects. This often leads to slow disbursements and utilisaof his previous insistence that the deaths of prisoners in ing and the Government is com-the principle of Press censor detention such as that of Mr. mitted to taking steps should ship must remain in the bill. Steve Biko, the black conscious- these actions cease."

Nyerere counts the cost of war

BY OUR DAR ES SALAAM CORRESPONDENT

Tanzania has for the first time economy. put a figure on the cost to his country of the war to overthrow Idi Amin in Uganda. He con-firmed that the next 12 months would be a tough struggle for the already shaky economy of this 17-year-old Socialist state.

Dr. Nyerere told a meeting at Tabora in the Central Region that it had been roughly estimated that the fighting would cost £250m in the year from October 1978. Tanzania was economy, he also hopes to now heavily in debt and had a ensure a smoother rate of serious foreign exchange shortage.

duction to boost the crippled of Tanzania's £250m in annual economy. Mr. Edwin Mtel, his aid to switch from help tied to Finance Minister, said that the budget for the 1979-80 financial grading of heavy industry year, now being devised, would outside the energy and transbe one of the toughest ever. It would be a budget of rehabili- has responded by agreeing that, defeat of Amin.

Natural calamities have added to Tanzania's woes this year. Flooding swept the country in

recent months, especially the low-lying coastal strip, as the seasonal rains lasted longer and were heavier than usual. In the coastal region alone it was reported recently that crops worth £800,000 had been destroyed. Several hundred homes were washed away on the mainland and in Zanzibar.

Roads and bridges were cut and the Chinese-built Tazara railroad, which links Zambla to

the Indian Ocean at Dar es Salaam, was out of action for a month between April and May. Dr. Nyerere would like donors of Tanzania's £250m in annual specific projects to grants for essential imports so as to ease the cash crisis.

Sweden, the main aid donor,

port support. The Netherlands, too, came forward with £11m in untied cash in addition to its other aid. Despite this help, the Tanza-

nians are tightening their belts for more shortages, for big public spending cuts and for a famine of foreign-made goods as imports are slashed to a mini-

dent, who was overthrown by Idi Amin eight years ago. Dr. Obote has spent his exile in Tanzania, where his Socialist views found favour with President Nyerere. But the

PRESIDENT Julius Nyerere of tation for the war-ravaged out of a £125m grant over three Tanzania has for the first time economy.

AP reports from Kampala: Ugandan public opinion was being prepared yesterday for the possible return home of Dr. Milton Obote, the exiled Presi-

former President was excluded from the coalition which took over in Kampala after the

\$3.4bn in toreign al

receive

INDIA is to receive foreig of \$3.4bn from the Worl Bank, Western countries Japan this year, making recipient of around 40 per of the total aid given to

World countries.
Officials in New Delhi
on this large pledge, madthe Aid-to-India consort.

meeting in Paris, as an exp
sion of faith in the count potential for quick econo development and in the gc management of the economy

They had feared that donors would cut assistance to year because of India's lar and growing foreign exchan reserves, which now excer \$70n. In fact pledges made i members of the consortium were more than the \$2.4bn com mitted last year.

The pledges were made after a highly-favourable World Ban! report on the Indian econom, had said that the reserves wer deceptive since they could be wiped out by a series of bad monsoons. This would necessitate foodgrain imports again, although this is highly unlikely since foodgrain stocks now

exceed 20m tonnes. The more effective argument used was that the terms of trade had deteriorated so much that, because of a trade deficiof more than \$1bn last year and the prospects of rising oil import prices, there is now a net transfer of resources from India despite the high aid levels.

Indian officials regret that tion since the process of identifying projects and then negotiating the aid for them takes considerable time

This is the main reason why aid in the pipeline is \$4.5bn compared to \$3.7bn a year ago. The larger total of aid pledged is due to higher amounts promised by the World Bank, the U.S. and European countries. Britain and Canada, which have new Governments. have still to make pledges, but the figure of \$3.4bn assumes that these two countries will, at least, maintain the level of last year's commitments.

Oil deal defended

Haryono, director of the state oil concern Pertamina.
Mr. Santoso Donosesutro, of tioned whether Indonesia had mortgaged 40 per cent of its oil production to Japan by sign. ing the agreement.
Mr. Haryono said Indonesia

had not mortgaged its oil and

would decide the price of sup-

plies to Japan. AP-DJ

JAKARTA - Indonesia's Par-

liament has questioned the

\$160m contract with Japan signed recently by Mr. Piet

A correspondent in Jeddah examines the effect which the Egyptian-Israeli peace treaty has had on Saudi Arabia

Uncomfortable decisions for the royal house of Saud Prince Fahd, the key figure in a long-planned rest, which, amenable the Egyptian leader Egypt: Withdrawal of \$900m move was a failure since remit in the ascendant, it was inevit-ably tighter now and to curb the Saudi policy-making, found it nevertheless, coincided with the was to American persuasion. deposited with the Bank of tances are largely channelled able that Prince Fahd's super-present spiralling surcharges, increasingly hard to justify the second Baghdad meeting of the Matters came to a head when Egypt to meet debt-servicing through money-changers who visory role would probably

treaty has caused the greatest crises for Saudi policy since the death of King Falsal in 1975. U.S.-oriented policy he had Saudi Arabia's inability to championed for years. Though influence President Sadat up to the signing of the treaty in March and to remain adequately informed of U.S. intentions has led to a re-examination of its relations with both countries.
Saudi Arabia, which has provided Egypt with \$7bn in non-military aid since the 1973 war and whose assistance was crucial during the 1977 balance of payments crisis, subscribes to a policy that caries the risk of President Sadat's downfall and his possible replacement by a

In relations with the United States, the high hopes raised by last year's congressional approval of the sale of F-15 airevaporated. Both Saudi officials and businessmen greatly doubt whether the Carter Administration's Middle East policy can succeed while what Riyadh regards forces. as sniping from Washington has caused great offence.

the degree of his estrangement from his colleagues has been exaggerated, the strategy he being followed. That fact affects Saudi willingness to raise oil

output to halt the oil price Believing that ultimately only the U.S. can guarantee Saudi security. Saudi Arabia expressed its consistent opposition to President Sadat's peace Initiative within the context of cooperation with the U.S. But between the Camp David summit last September and the signing of the peace treaty in March this year the revolution in Iran suggested that Saudi Arabia had far more to fear from radical forces in the Middle East than from the Soviet Union. Moreover, the U.S. was demonstrably unable to protect the Shah from these

Increasingly disillusioned, the Mr. Sadat's strident attacks on aused great offence. Crown Prince cancelled a visit the Saudi royal family on May After Camp David, Crown to Washington in March and took Day. Doubts grew about how

Arab states opposed to Sadat. Halfway through that meeting. Saudi official was saying in Riyadh that the kingdom had secured the least damaging boycott of Egypt, contingent on progress in Egyptian-Israeli relations. But two days later. Prince Saud al-Paisal. Foreign Minister, could find no support for his initial resistance to the hard-line measures advocated by the Palestine Libera tion Organisation and Libya and

supported by Syria and Iraq. At first Saudi Arabia indicated that the question of how far Egypt could be pressed economically was being examined on a daily basis and was related to the question of what the U.S. could do to broaden the scope of negotiations and involve the Palestinians. Saudi officials holdings—there are thousands denied that the post-Baghdad policy must inevitably lead to investment by Saudis in service Sadat's downfall,

But attitudes hardened after the Saudi royal family on May

Prince Sultan, Defence Minister, led Qatar and the United Arab Egypt-based Arab arms industry. He also threw doubt on whether Saudi Arabia would pay for the U.S. F-5 aircraft Egypt was to acquire, although Saudi officials, including Prince Sultan, had said that the money would go through. But diplomats and Saudi businessmen believe this will be

the limit to Saudi action against the Egyptian economy for the present. All new private sector investment has stopped, according to a leading Jeddah businessman but not as a result of any direction from the Government. Apart from real estate industries and tourism amounts to only about \$100m. Saudi Arabia has also con-

sidered and apparently rejected

requirements in 1977; moves to limit remittances by the 350,000 Emirates in seeking to dissolve Egyptian workers in Saudi the Arab Organisation for Arabia; and the halting of Industrialisation, the nascent, direct flights to Egypt. Remittances from Egyptians resident in Saudi Arabia and from their counterparts in the Gulf States are expected to amount to \$1.7bn this year and

are a major factor in the improved health of the Egyptian economy and, thus, of Sadat's greater political independence. Each of these proposed steps would have serious disadvan-tages for Riyadh without much tion of Saudi investment over-seas and might carry the risk of sequestration of private holdings.

In 1977, Prince Fand, at con-sease and might carry the risk of sequestration of private holdings.

The domestic implications for siderable risk to his position, oil policy are more subtle. When succeeded in persuading the King Faisal died, the transition Government to raise oil produc-

Ghashmi of North Yemen, South Prince Fahd, Prince Abdullah, Mainly for technical reasons it security is constant,

are impossible to monitor, into the others areas of responneed to raise production by Reports that Saudi Arabia sibility — that of Prince about Imbarrels a day, which might introduce exchange control were denied by the country's and of Prince Sultan in close to its summer sustainable monetary agency last week. Saudi Arabia has ordered the extension of the contracts of about 60,000 teachers from Figypt who are the backbone of the Saudi state school system.

Businessmen say, however, that new visus are not being isued to Egyptians, though this may be due to confusion at the reduced Saudi mission in Cairo. The mission is to be trimmed would have serious disadvanted Saudi mission in Cairo, moderate Press attacks on Presidages for Riyadh without much compensating benefit. The without much drawal of the deposits would impair the non-political reputation of Saudi investment over-

sidered and apparently rejected

Yemeni remittances from Saudi Prince Sultan and their client was a failure.

Three other sanctions against Arabia were blocked. But the groups With the pro-U.S. policy The 50 market is consider the U.S.

Southern Arabia and in military procurement But the strain in U.S. Saudi

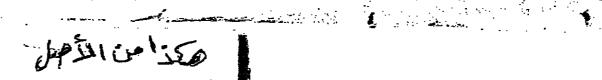
relations has halted this process temporarily and this will reduce the crown price's paramount in-fluence over oil policy. Since the crown prince's return from abroad in May, his presence has been felt, however. Moves to moderate Press attacks on Presi-

Covernment to raise oil produc-There is a precedent for cut- of power seemed smooth, but tion to undermine a 10 per cent ting off remittances. Last year, the parcelling out of his responsince as in prices by the other when South Yemen was implimented in the killing of Provident defined between King Khaled Datasatan Function Countries of the Organization of defined between King Khaled Petroleum Exporting Countries.

capacity. Because of the peace treaty, the political embarrass-ment of association with the U.S. in this would probably outweigh its benefits. Earlier this month, it became apparent that Saudi Arabla might be willing to go half way by increasing production by about 500,000 barrels a day and raising the price of Saudi light raising the price of Saudi light crude so as to unify the oil price around a basic \$17-\$18 a barrel or about \$3.50 above the present

level. Even this modest programme appears to have been gvertaken by a new round increases sparked off by and Iraq and absorbed o But whatever the role Crown Prince, diplomats d

believe that the relativith the U.S. will suffe: damage. Saudi concern;



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COMPANY NOTICE

INVESTMENT COMPANY LIMITED

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NOTICE TO HOLDERS OF PREFERENCE STOCK WARRANTS TO SEARER PAYMENT OF COUPON No. 53

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Interperated in the Republic of South Africa) NOTICE TO HOLDERS OF GROINARY

SHARE WARRANTS TO BEARER PAYMENT OF COUPON No. 91

SHARE WARRANTS TO BEARER
PAYMENT OF COUPON: 40, 91
With reference to the motice of
declaration of dividend advertised in
the press on 8th June. 1979, the
following information's published for
the guidance of helders of share
warrants to bearer.
The dividend of 32 cents por share
was declared in South African currency.
South African mental state that can
indeer the declacted from the
dividend of 32 cents por share
was declared in South African currency.
South African mental state that
it is the deducted from the
dividend payable in respect of 41,
share warrant coupons leaving a net
dividend on bearer shares will be
paid on or after 27th July, 1979
against surrender of coupon No. 91
detached from share warrants to
bearer as under:
(a) At the offices of the following
Continental paying agents:

Continental paying agents

Luxembourg SA.

Luxembourg Luxembourg.

Continental paying agents

Continental

AMERICAN NEWS

Move to increase windfall profits tax

BY DAVID BUCHAN IN WASHINGTON

THE HOUSE Ways and Means some of the large extra Committee has toughened Presi-revenues the oil companies will dent Carter's windfall oil profits tax by raising the tax rate on profit from existing crude sup-pries by 20 per cent to 70 per June 1. Its proceeds are to go cent, and easing the tax take into Government programmes on future oil discoveries only for public transport and alter-

But the tax rate increase, which would cost oil companies an extra \$6bn on top of the \$20.6bn they will probably have to pay in the period 1980-84

The tax is designed to cream off for the Federal Government bring in extra production.

BY IHSAN HIJAZI IN BEIRUT

to have embarked on sanctions

against Canada to deter the implementation of an election

pledge by the new Conservative

Government of Mr. Joe Clark to

transfer the Canadian embassy

According to Arab diplomats,

Saudi Arabia has suspended negotiations with Canadian

companies on contracts worth \$1.5bn (£713m), pending developments on the Jerusalem

question. The diplomats did not

Reports in the Beirut Press

recently said the Canadian move

was bound to threaten the

multimillion dollar communica-

tions contract which the Canadian company, Bell, was

Westinghouse's C\$85m (£34.8m) contract for selling

turbines to Libya may be in

danger. Arab oil producers are

reported to have warned Canada that an oil embargo would be

imposed on it if the embassy

were moved. Moving the embassy is seen in the Arab

world as recognising Jerusalem

Toronto: a senior observer of

Canadian-Arab affairs said: "If

Mr. Clark wants to retrieve his

position now, he will have to make a major gesture to the

However, Mr. Clark has more

to patch up than Canada's rela-

tions with the Arabs. His per-

formance last week confirmed the worst fears of the Canadian

business community that the

as the capital of Israel. - Jim Rusk writes from

Arabs.

fulfilling in Saudi Arabia.

name the companies involved.

to Jerusalem, from Tel Aviv.

decision to start phasing out native energy sources to oil and

The aim of decontrol is to whet the oil companies' appetite to extract more from existing reserves and to look for new under the Carter plan, will not supplies. Energy Department staunch pro-oil man. greatly trouble the President. officials believe that the House Thus Congress may greatly trouble the President.

Indeed, under criticism by
Senator Edward Kennedy and ease the tax burden on "new" senator Edward Rennedy and others that his tax plan was a oil — essentially by taxing at figleaf " to mask a surrender to the oil industry on decontrolling oil prices, Mr. Carter has publicly invited the Congress to stiffen the tax.

The tax is designed to cream

Carter plan would hopefully

THE ARAB states are reported national affairs which Mr. Clark hastily but remained a long-

world trip in January, would

result in a major blunder once

Mr. Clark has handled the embassy affair ineptly, he announced the move at his first

press conference as Prime Minister, apparently before he

or his new Minister of External Affairs, Miss Flora MacDonald had been briefed on the impact

that cuch a move would have

on Canada's trade and diplomatic relations with the

Arab states, or on the effect

that it would have on the delicate political balance in the

Middle East. Nor were any of

Canada's allies consulted.
Two days after the announce-

ment, Miss MacDonald met the

ambassadors of nine Arab countries who warned her of

the damage that would result.

After the meeting, Miss MacDonald, who has expressed

sharpening speculation that 85-

year as the President of the

American Federation of Labour-

Congress of Industrial Organi-

from a lengthy illness caused by

more than 20 lbs and he is said

to be somewhat less robust than

horn in 1876.

The court settlement, the

largest ever awarded to American Indians, set the fair market value of the Black Hills region

of South Dakota at \$17.5m when it was taken from them in 1877. But interest on this should total

between \$90m and \$115m, the

court said. The Government has not yet decided whether to

appeal against the ruling to the

The Sioux case is only one of

a number of suits that Indians

have filed. But while some of

the suits are actually claiming

back wide areas of land, the Sioux suit centred on compen-

sation and, the court found,

contained a history of double dealing by Washington.

An 1869 treaty gave the Sioux

U.S. Supreme Court.

he was in office.

Shares of some oil companies oil companies might use to revenues the oil companies will fell on news of the committee's reap from Mr. Carter's executive action this week, including those of the British Petroleum subcontrols on domestic oil from sidiary, Sohio, which would be June 1. Its proceeds are to go affected by the lack of a special affected by the lack of a special tax break for its Alaskan oil. But the shape of the windfall tax is far from final. The Ways; majors. and Means Committee is aware that the plan still has to go

through the Senate Finance Committee, whose chairman, Senator Russell Long, is a Thus Congress may in the end settle for something very near Mr. Carter's original plan, even though public and legislative support to tax the profitable oil industry has markedly increased in recent months.
The House

The House Committee deferred action until later in the year on a plan to tax any profits from price decontrol that imports in recent weeks.

was told that a number of Arab

Canada if the embassy were

Canada, which is only now start-

ing to penetrate the Arab market, could lose about

\$C500m in exports and an equal

It is thought that an oil

embargo is unlikely because of

the difficulty in enforcing it.

However a move would irre-trievably damage Canada's reputation as a fair and

unbiased actor in international

affairs, and its troops would be unacceptable for United Nations duty. It is considered probable that Canada will have

to withdraw its UN troops in

the Middle East no matter

what action the Government

whether he can revive his old

been filled by Mr. Meany for the

past 24 years and there is no doubt that, if he chose to run

unopposed at this year's biennial

successor is widely expected to

land, his deputy of the past 10

be 57-year-old Mr. Lane Kirk

that their food needs would keep the Sioux quiescent. They did not, as Gen. Custer found out.

With their food cut off in 1877, the Sioux had no alterna-tive but to accede to U.S.

demands that the Black Hills

be given up, the Court of Claims

AP adds from Washington:

The decision did not win praise from the president of the Oglala

Sioux tribe at Pine Ridge,

Dakota. Mr. Elijah Whirlwind Horse, said "Although this is the largest claim ever in the history of the U.S., the indi-

vidual Indian will not benefit

The people that will benefit are the Federal Government itself,

and the Washington lawyers who

The AFL-CIO presidency has

amount of service contracts.

would mean

relations

countries

moved.

private doubts about a move, finally takes on the embassy said it would not be done move.

A NINE-WEEK absence from of marriage. His bereavement,

his office because of illness is coupled with his illness is mak-

sations (AFL-CIO). doubt that, if he chose to run Mr. Meany has been suffering again, he would be re-elected

a reaction to a cortisone injec-tion. His weight has fallen by he decide to retire, however, his

Mr. Meany was widowed years and a member of the Mates earlier this year after 60 years and Pilots Union.

Sioux nation wins

BY OUR WASHINGTON CORRESPONDENT

\$100m court award

THE SIOUX nation has won its tion, in return for which the first victory for over a century U.S. Government promised to against the U.S. Government, give them certain food supplies. The Court of Claims this week But a few years later, when gold

ruled that the Sioux were was discovered in the Black

entitled to more than \$100m in Hills, President Ulysses Grant compensation for land confissered in the wake of Gen. George Armstrong Custer's miners from intruding on the reservation, hoping apparently that their food read would keep

Meany may step down

year-old Mr. George Meany will whether he can re finally decide to step down this appetite for work.

This

diplomatic

acquire non-energy companies. Complaints about oil company diversification out of energy and into department stores, timber and unrelated areas has been a major part of President Cartess recent rhetoric against the oil

Meanwhile, domestic car sales dropped a sharp 28.6 per cent in the first 10 days of June, com-pared to record levels in the same period a year ago. Industry analysts said petrol shortages and fears that these will continue accounted for the decline, which was heaviest among big gas-guzzling models.

The biggest drop in a single category was a 50 per cent decline in sales by General Motors' Cadillac division. By contrast, smaller cars sales held up reasonably well, as have

Arab 'sanctions' against Canada Setback for U.S. airline

merger

EASTERN AIRLINES yesterday became the third possible acquirer of National Airlines to fall foul of an administrative law judge's decision that the proposed merger would be anti-competitive and should

the \$425m acquisition of National.

His recommendation follows

because airlines with overseas routes are involved and President Carter would have 60 days in which to overturn

the CAB if he wished.

By John Wyles in New York

not be allowed.

Judge Richard Murphy urged the Civil Aeronautics Board to turn down Eastern's application to create the second largest airline in the non-communist world through

a similar ruling from another judge in April that neither Pan American World Airways nor Texas International Airlines should be permitted to go ahead with comparable bids for National, whose stockholders have since voted in favour of a merger with

Pan Am.
The CAB has already started reviewing the April recommendation by Judge William Dapper and a final decision on the Pan Am and Texas International cases could be taken by the first

week of July.
This would have to be endorsed by the White House

Judge Marphy's decision will also be reviewed by the CAB which will give Eastern a chance to present oral arguments against his conclusion that a merger with National would substantially lessen competition on routes up and

U.S.
Judge Murphy's finding had been widely expected within the industry because of the major routes in which the two airlines compete. He noted that the two Mlami-based carriers compete directly in the New York-Florida, Washing-ton-Florida, New York-Washington and intra-Florida

The judge stressed the nonregulatory barriers to com-petition which are steadily emerging. New airlines would he said, have difficulty New airlines entering the North-east Florida markets because of growing airport congestion and the lead times in obtaining needed aircraft.

U.S. OPEN GOLF

Big hitters make strong start on changed course

BY BEN WRIGHT IN TOLEDO, OHIO

at the historic Inverness golf many unknown players in the course designed by Donald Ross field who somehow get through at 7.15 am this sunny morning, the sectional and area qualifyand the event was soon sur-rounded by controversy. A twostrokes penalty was slapped on one of 14 amateurs in the field. Thomas R. Inskeet of Fort Wayne, Indiana, after an hour and a half of play, at which stage the player in question, a member of the second trio to start, was still only on the 7th

There has also been general criticism by the players of the alterations that have been made to this great old course before it was considered fit to host the championship for the fourth time. It was in 1920 that the first U.S. Open here was won by the British golfer, Ted

Kay.

In the interests of making the course longer, tougher and more easy for spectators to get around, the 3rd, 5th, 6th and 8th holes were redesigned by George Fazio and his nephew Tommy in themselves the changed holes are perfectly adequate, but as the great Jack Nicklaus pointed out: "The trouble is that they are totally out of character with Ross feeling for the game. They just bear no resemblance to his design of the other 13 holes."

Tom Weiskopf was rather more specific, He said: "Why the hell do they have to change the great old golf courses? You wouldn't change the Mona Lisa, would you? Regardless of what changes are made there is always going to be a winner, and who cares if he scores what the officials thing is an absurdly low total? It merely proves that he is the best golfer in the world for the week in question." I have to agree with the comments of both these great men. But the fact remains that this is still one of the finest golf

courses on the Continent, a par 71 layout stretched to 6,982 yards for the occasion, with only two par fives, the 8th and 13th and three par threes, the 3rd, 6th and 12th holes. Quite the most outstanding feature of the course is the tiny greens, which undulate fiercely, and are already possessed of a nervewracking speed. They are cer-tain to become much faster before the weekend is out. Arnold Palmer, whose name is no longer mentioned as a

possible winner, was on the golf course early this morning. But his name did not remain on the leader board for more than a few minutes, since he booked opening hole of 398 yards and took a six. Not much better was Nicklaus, who a few minutes later dropped a stroke to par there himself, and the defending champion Andy North, whose chances I do not rate very highly, has borne out

that conviction by dropping shots at the 1st and 3rd holes. The early leaders—with play likely to have gone on until shortly before nine o'clock last night—were the big hitters Lon Hinkle, who is two under par after eight holes, and the immensely promising Keith Fergus, who was an outstanding amateur at the University of Houston, who was two under par for the outward half, which

he has covered in 33 shots.

THE 79th U.S. Open gold cham-pionship got under way here at the historic Inverness golf at the historic Inverness golf many unknown players in the the sectional and area qualifying competitions.

My own choice for the championship has to be Tom Watson, because he occupies now the position of eminence in the game that has been in the possession of Nicklaus without fear of argument since 1962. Ed Sneed, of Ohio, who so tragically threw away the U.S. Masters tournament at Augusta in April.



Jack Nicklaus (above) and Arnold Palmer ... dropping strokes



is a popular local favourite to win the title, and goodness knows there could not be a more popular winner. But in my opinion the woulds inflicted mentally and psychologically on my good friend Ed on that tragic April evening will take a long time to heal, and I feel the pressure on him if he got into contention on Sunday evening would be too hard to handle,

Of the other fancied contenders I like most the chances of Jerry Pate and Andy Bean, who I saw play golf of superla-tive quality in Atlanta last weekend to win the tournament by eight shots, including a round of 61 that was as close to perfection as anything I have eve seen on a far from easy golf

At time of writing the leader board indicated that Fergus had the lead outright at two under par after 10 holes from Hinkle, who had reached the turn at one under. These were the only two players under par while at even par came three fancied competitors, Pate, who had played eight holes, and Lamy Wadkins and Al Gelberger, who had played six apiece. Nicklaus still one over par, having played four holes, as the U.S. Amateur champion, John Cook, and another short-priced runner, Hubert Green. Sad to say the defending champion North had gone south. He was three over par after four holes.

lack of experience in inter-First Union General Investment Trust Limited

the Commissioners of inland Revenue to state:
Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South Africa non-resident shareholders' tax spolicable to the dividend is allowable as a credit against the United Kingdom tax sayable in respect of the dividend of tax at the reddend of the official of tax at the casic rate of 150% represents an allowance of credit at the rate of 14.862°.

dividend on 23rd July. 1979
or:
dividend on 23rd July. 1979
or:
(iii) In respect of coupons lodged
on or liter 1989
of 10,00 a.m. and 5 p.m.
United Kingdom income tax will be deducted from payments lo United Kingdom currency in respect of coupons are accompanied by leaned Reception Office. Unless such deduction is made, the act amount of the dividend will be the United Kingdom currency curvalent of the dividend will be the United Kingdom currency curvalent of the dividend will be the United Kingdom currency curvalent of the dividend will be the United Kingdom currency curvalent of 22.40 cents per share arrived at as under.

Amount of dividend declared 32,00

22.40

2.55

2.10

London Office: 40 Holborn Vladuct EC1P 1AJ 14th June, 1978

A Member of the Liberty Life Group

INTERIM REPORT FOR THE SIX MONTH PERIOD ENDING 30 JUNE 1979

The board of directors of First Union General Investment Trust Limited has pleasure in announcing the unaudited estimated consolidated results of the company and its subsidiary for the period of six months ending 30 June 1979.

	Six months ending 30 June 1979 (Estimated)	Six months ended 30 June 1978 (Actual)	Year ended 31 December 1978 (Actual)
Net profit after taxation	R3 425 000 6# 000	R2 639 000 65 000	R5 017 000 130 000
Net profit attributable to ordinary shareholders (notes 1 and 3)	R3 360 900	R2 574 000	R4 887 000
Number of ordinary shares in issue Earnings per ordinary share	62 100 000 5.41 cents	62 100 000 4.14 cents	62 100 000 7.87 cents
Ordinary dividends (note 2)			
—Interim declared June 1979 —Final declared December 1978	3.50 cents	3.00 cents	3.00 cents 3.75 cents
	3.50 cents	3.00 cents	6.75 cents
Net asset value per ordinary share (note 4)	147 cents	104 cents	125 cents

1. The income of the Trust does not accrue evenly over each half-year period of the financial year but is dependent on the timing and dividend policies of the Trust's underlying investments. 2. The total ordinary dividends for the year ending 31 December 1979 can be expected to be not less than 7.5 cents including the 3.5 cents interim dividend herein declared.

Surpluses or deficits on realisation of investments are transferred to a non-distributable reserve in terms of the articles of association of the company and are not included in the The net asset value of 147 cents per share was calculated at the close of business on

4. The not asset value of 121 cents per such that the dividends herein declared. On behalf of the board Johannesburg

14 June 1979

D. Gordon (Chairman) J. R. McAlpine (Director)

DECLARATION OF INTERIM ORDINARY AND PREFERENCE DIVIDENDS IN RESPECT OF THE YEAR ENDING 31 DECEMBER 1979

Notice is hereby given that the undermentioned interim dividends have been declared in respect of the year ending 31 December 1978 payable to ordinary and preference shareholders registered in the books of the company at the close of business on 29 June 1979. The ordinary and preference share registers of the company will be closed from Saturday 30 June 1979 to Saturday 7 July 1979, both days inclusive.

Dividend number Cents per share

Ordinary shares ... 3.25 The dividends have been declared in the currency of the Republic of South Africa and cheques in payment thereof will be posted from the offices of the Johannesburg and United Kingdom Transfer Secretaries on or about 30 July 1978.

In accordance with South African Income Tax statutes, non-resident shareholders tax at the rate of 15 per cent will be deducted from dividends where applicable. Cheques in respect of ordinary dividends issued from the United Kingdom office will be drawn in the United Kingdom currency equivalent on 23 July 1979 of the rand value of the dividend payable (less appropriate taxes) except where shareholders concerned have given written notice of their election to be paid in South African currency and such notice is received by the United Kingdom or Johannesburg Transfer Secretaries on or before 2 July 1979,

By order of the board J. M. Cane (Secretary) 14 June 1979

United Kingdom Transfer Secretaries: Johannesburg Transfer Secretaries: Security Registrars (Proprietary) Limited, Charter Consolidated Limited, P.O. Box 102, Sixteenth Floor. Nedfin Place. Charter House, Corner Simmonds and Kerk Streets, Park Street, Ashford. Johannesburg 2001. Kent TN24 SEQ.

Base Rate

BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A.

An 1869 treaty gave the Sioux have worked on this case for Indians the Black Hills reservathe last 40 or 50 years."

announces that from 15th June 1979 its base rate is changed

from 12% to 14% p.a.

100 Leadenhall Street London EC3A 3AD

Rhode Island: gateway to growth in the U.S.

The state of Rhode Island, with its own deepwater ports, major commercial airport, main line rail service and excellent interstate highway network, could be the growth opportunity you've been looking for in the As you can see from the map, Rhode

Island isn't an island at all. It's actually an integral part of a thriving market that includes four of the largest U.S. cities and Canada's largest city within 800 kilometers. That puts 76 million Americans and Canadians with a 250-billion pound annual income well within a day's delivery by truck

Our strong industrial heritage reaches back two centuries to when the American manufacturing system was born in Rhode Island. Today, we're a leader in the manufacture of precision instruments, electronic equipment, jewelry, metals, textiles, electrical machinery, plastics, and transportation equipment.

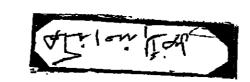
Labour? Rhode Island has more skilled workers per square kilometer than any other state in the U.S. (And, if you need skills we don't have, we'll train people for you.) Financing? We have excellent programs to help finance new industrial facilities, backed by a strong financial community with considerable international banking experience.

And a comprehensive tax reform program that has greatly improved our business climate.

We'd like to tell you more about why Rhode Island is the right place for your new plant or headquarters in the United States. Call or write: Scott Eubanks, Director, Rhode Island Department of Economic Development, One Weybosset Hill, Providence, Rhode Island 02903, USA. Phone: (401) 277-2601.







Choosing the right truck is an important financial decision, but do you know just how important?

A mere 1/4p a mile difference in overail running costs between two makes of truck each doing 100,000 miles works out at a saving of £250.

With 20 trucks that's £5,000 saved. Over 400,000 miles, that's a saving of £20,000.

Nearly enough to buy yourself a new truck.

And the difference between the very best and the very worst truck can work out at considerably more than 1/4p. .

Clearly it's vital that your company runs the most cost effective trucks.

To help you make your choice, here are some of the conclusions drawn from an independent test conducted by "TRUCK" magazine on Europe's best trucks.

It's worth noting that an M.A.N. truck came out on top and as such was voted by an International Jury, "TRUCK of the Year 1978".

"Spectacular economy." "The ability to earn revenue at low

cost, to perform adequately with the utmost safety, to keep on working with the minimum interruptions and to achieve all this with a commendably simple design are the awardwinning features of the M.A.N. 16.280.

It is a vehicle that has been aimed squarely and clear-mindedly at the requirements of the fleet operator, without calling on the powers of "exciting design" that can look so attractive on paper but which can be such a nightmare in practice.

Praise for the winner's spectacular economy came from all the jury".

"Minimum costs"

"In trucking there is little room for. untried innovations, exciting but unproven gadgetry, far-out engineering that does not have a very sound logic behind its adoption.

The European trucker wants something that he can rely upon to do a good job of work; and to most truckers that means shift-. ing the maximum amount of freight at the 'very lowest possible cost and to keep on doing that week in, week out, month after month.

That is exactly why the 280 has won. such a good reputation in so short a time. It does just that".

Good driver environment affects business economics.

 A comfortable driver, is a safer, more icient driver

And a safer, more efficient driver means

a more efficient, profitable company.

Here are some of the "TRUCK" iurv comments.

"Cab appointments are possibly the best combinations of comfort and practicality that can be found in Europe today.

It is all based round a very strong steel shell which meets EEC standards as is. Seating specification includes Isring-

hausen suspension seats for both crew members (marketed as the Derby in most places).

Certainly in many hundreds of kilometres that we've covered, the 280 has met every road and ride situation with commendable comfort.

Detail cab fittings include very well made lockers for papers, containers for hotdrink flasks, high quality upholstery in breathing vinyl fabric, the whole being washable or even scrubbable in the event of it getting dirty.

There is a great deal more detail to the M.A.N. 280s than we have been able to. examine here.

The cab for example, tilts in seconds to a full 60.º

The frames are all-bolted in accurately pre-drilled holes, which not only gives a verystrong frame but makes chassis repairs a relatively simple task.

Brakes have generous lining areas, that produce long intervals between relines.

Under-cab insulation is thorough indeed, making the cab arguably the quietest around; it was certainly the quietest of the 17 trucks that we've put through our European. test programme.

Standards of fit and finish are superb throughout and, above all, it's uncomplicated

There is no risk of the maintenance staff having a heart attack merely at the sight of the chassis for it's significantly cleaner and tidier than most.

Consequently, the immediate success in the operating arenas of Europe is not luck -the 280 won its spurs in fair and open combat". **Buyers Queue Up-**

"TRUCK" also interviewed Otto Voisard, your Transport Manager. Managing Director of M.A.N., pictured here. This is what he said:

"Operators quickly found out that the 280 was not only the most economic M.A.N. they had ever encountered, but also more economical than virtually any other truck in the 36 to 38 tonne field. .

> Operational` reliability also proved to be very good.

Thus, with low running costs, high utilisation, the annual tonne-kilometres available were higher by an unusually big margin.

And, on top of all that, unit cost was low

Buyers continue to queue up. .

Like it or not. trucks still have to be taken into towns and it's up to us, the truck makers, to ensure that trucks cause the minimum disruption to normal life.

The in-line turbo engine is a good

tool with which to do this.

We can tune it to optimum output and noise and emission suppression relatively

Coupled with that the provision of a very flexible transmission enables the driver to use his truck in the best possible way".

Parts M.A.N. made.

Practically every part in an M.A.N. truck we make ourselves.

 From the axles, almost down to the last nut and bolt.

And we have more than 50 years'

experience in manufacturing automotive diesel engines with direct fuel injection.

M.A.N. and Volkswagen. And now M.A.N. has joined forces with Volkswagen.

It's probably the greatest thing to happen to transport since the invention of. the diesel

To give you an unbeatable range of

Which, by the way, we invented.

16.240 or 16.280? Talk to

In some respects, the choice between the M.A.N. 16.240 and 16.280 Artics is a difficult one

These are both superb machines, but each is ideal for different jobs.

So consult your Transport Manager He'll be able to advise which is best for your company's operations.

He'll know that the unmatchable M.A.N. cab is standard on all vehicles in our range, to give the best driver environment in Europe.

The choice for him will be between the naturally aspirated 16.240 with its legendary reliability and lack of downtime and the turbo-charged 16.280 which gives that extra power for those long arduous hauls. And since the "TRUCK" test we've

actually improved our 16.280. The gear shift is on the deck, not on

the steering column. And we've gone over the cab with a

fine tooth-comb to make it even more comfortable. Other models in the range have also

received accolades from "TRUCK" magazine. For example, the 30.240:... "an unusually quiet and refined big tipper

Laden ride was first class, and even when pulling hard the engine was barely audible".

MEMO

FROM

TO

To say an M.A.N. truck is a good investment for your company is an understatement. So do make sure you talk to your

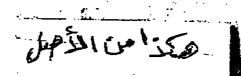
Transport Manager Or drop him a line on the above \cdot memo – and why not send the ad?. .But do it now.

Before you lose another 4p.





MAN-VW Truck & Bus Ltd, 361-365 Chiswick High Road, London W44HS. Telephone: 01-995-3131



Top level UK mission set for Cuba trade visit

MR. CECIL PARKINSON, the Trade Minister, has taken the Britain and other EEC countries sumption which, in the main, is lead in a big new push to about the European Com-supplied of concessionary rates

The British move, which has been welcomed by Cuba, is part is a very ugly form of competibut the Cuban leadership is far of a demonstration by the tion," one senior Cuban official from giving up hope of making that the consider a number of profit on the consider and number of profit on the consider a number of profit on the consider and number of profit on the consideration and number of profit on the considerat

British oil expertise. Britain already has a healthy positive trade balance with Cuba: British imports from the island last year, including £1.8m worth of sugar and £2.6m worth of tobacco, totalled £7.9m. Exports, on the other hand, came to £27.6m including £4m in chemicals and £2.6m in road

The principal barrier to exploration ventures in and more Before the 1959 revolu-increased trade is Cuba's pre- around Cuba. tion Cuba was the principal

export markets.

vitally interested in building trade wherever and whenever it can be done.

For its part Cuba is seeking British oil expertise.

Cuba has repeated to Britain consider a number of prontstand whenever the protests about subsisharing options with British or dised competition expressed by the Group of 77 developing technology.

Cuba has repeated to Britain consider a number of prontstand of the protests about subsisharing options with British or dised competition expressed by the Group of 77 developing technology.

Despite disappointments with on Trade and Development, which finished in Manila earlier

> express great interest in importing British technology and is British interest so far has been currently talking to various slow to materialise. Cuba is British companies in the oil inaugurating four new hotels industry about possible joint this year and is building four

sent foreign exchange difficulties

Cuba produces a small tourist centre of the Caribbean brought on by the low price of amount of heavy crude oil, but and attracted large numbers of sugar, the biggest export item.

Cuba has complained to a tiny percentage of its conincrease trade with Cuba. It is munity's practice of subsidised by the USSR. Cuba's own expected that he will lead a beet sugar exports which have exploration efforts, some of top-level mission to Havana seriously bitten into Cuba's own which have been carried out in within the next 12 months. export markets.

> Despite disappointments with the Franco-Cuban Club Medithis month.
>
> Despite difficulties in bilateral
> trade Cuba is continuing to British companies in joint ven-

Multinational code re-endorsed

MINISTERS FROM the 24 subject drawn up by a special work for the solution of prob-OECD member countries yester- OECD committee. day called upon multinational companies to refrain from try- states that, in the context of ing to influence the settlement bona fide negotiations with of labour disputes by the threat employees on conditions of of transferring their operations employment, multinational com-

to another country.
This recommendation was the major amendment made to the OECD guidelines for multinational enterprises and the declaration on national treatment for companies foreign control and inter- order to influence negotiations national investment incentives or to hinder workers' rights to and disincentives first adopted organise themselves. in June 1976.

After reviewing the ex- OECD perience of the last three years, national Investment and Multithe Ministers re-endorsed the national Enterprises stressed should also contain brief state-guidelines and approved the that the 1976 guidelines offered ments on their experience with conclusions of a report on the an efficient and realiftic frame- the guidelines.

The new recommendation

panies should not threaten to transfer the whole or part of an operating unit from the country concerned.

Committee on Inter-

lens which had arisen from the operations of multinational com-

Member countries had indicated that htere was a general willingness on the part of multinationals to observe the guidelines, though they were not legally enforceable. Even so. more time and continued efforts Nor should they transfer were needed for the guidelines employees from companies' to become more widely known branches in other countries, in and part of day-to-day management practice.

Multinational companies are recommended to state publicly, The report drawn up by the preferably in their annual reports, their acceptance of the guidelines. Their annual reports

Meat sales lead NZ exports surge

BY DAI HAYWARD IN WELLINGTON

IMPROVED WORLD prices for meat and wool boosted New an increase of NZ\$ 181m, which Zealand's trade balance by resulted in a trade surplus of NZS 364m (£183m) in the year NZS 686m (£346m). ended April, 1979.

Exports totalled NZS 3.9bn. Meat export earnings were up from NZ\$ 902m to NZ\$ 1.12bn. Wool receipts rose by NZ\$ 110m. from manufactured emports, invisible receipts rose by 12 per but export earnings from butter which was an increase of cent invisible payments were were down slightly, and cheese and milk powder only just held their own.

NZS 116m on 1973. The value on the polyments was proposed to higher debt servicing costs and increased travel costs.

The growing importance of

manufacturing industries is shown by the NZ\$ 626m earned visible trade surplus.

invisible transactions are still placing a massive drain on the economy. In the year under review the country had an invisible deficit of NZS 1.09bn. which more than wiped out the

British companies in bid for **Philippines** copper deal

By Daniel Nelson in Manila TWO BRITISH companies-Davy International and Sel-trust Engineering—have combined forces with Ovto Kumpu of Finland in a bid to win a turnkey contract for the construction of a copper smelter in the Philippines expected to cost about \$250m. The UK companies originally intended to bid separately.

In a separate move, Lurgi is understood to be dropping out of the running, leaving Sibetra, SNC of Canada, Parsons Engineering, and Maru-

The companies were invited to submit three designs covering annual capacity ranging from 84,000 metric tons to 138.000 metric tons.

Bids will open on August 15 and be evaluated by Philippines Associated Smelting and Refining Corporation (PASAR), which will oversee the project. PASAR is 49 per Corporation cent government-owned, with five major Philippine copper producers holding the remaining 51 per cent. All PASAR's preliminary engineering studies were on the basis of the Autokupu process.

Power for the project, to be sited in Leyte, east-central Philippines, will be provided by a planned geothermal plant. In addition, one of two harge-mounted diesel plants being procured with a Japanese loan would be sited by the smelter on a stand-by basis.

The Philippines produced 68,425 metric tons of copper in the first quarter of this year, and the Bureau of Mines Projects 10 per cent average annual growth of production until 1983.

More talks on Chinese oil

TOKYO — China and Japan have agreed to resume talks on the proposed joint develop-ment of offshore oil reserves in Pohai Bay, north China, Japanese Trade Ministry officials said yesterday.

An agreement to resume negotiations soon in Peking was reached between visiting Chinese deputy Premier Kang Shi-en and Mr. Masumi Esaki, Japan's Minister for International Trade and Industry, the officials added.

Japan has proposed supplying about \$2bn worth of machinery, materials and services for the project, receiving crude oil in return.

Japan dominates thriving market for small tractors in Ireland

market for small tractors have come to be known as OEM largely because its machinery exporters spotted a standard formulacturers in nig U.S. tractor manufacturers through what have come to be known as OEM (original equipment manufacturers spotted a standard formulacturer) exporters spotted a trend that the U.S. tractor industry missed towards the end of the 1980s.

The trend was the emergence institutions for grass cutting.

stopped making such machines economies of scale which cannot stopped making such machines
(because big tractors were more be matched elsewhere,
profitable and were what the Kubota's Tsukuba plant is the

Kubota, which was the first company to get into the small tractor business, makes 60,000 small tractors a year at its highly automated Tsukuba plant being would seem unlikely to plus another 40,000 (large and small) elsewhere. It exports about one-third of its output. Four other Japanese companies

According to Mr. Seiichi Egusa, the export manager of Kubota and one of the brains of a thriving second hand behind the company's recent market in under 40 hp tractors diversification moves it may be for use by "Sunday farmers" too late for Europe or the U.S. or by schools, hotels and other to start competing with Japan small tractors, because The U.S. tractor industry had Japanese makers have achieved

increasing highly mechanised largest of its kind in the world farming industry was demand- and has startlingly high produc-ing). Japan filled the gap and tivity levels (a labour force of now has the lion's share of a 450 people turns out 5,000 market which is estimated at over 100,000 units per year.

450 people turns out 5,000 market which is estimated at wachines per month). A western competitor would need to be a competitor wo to produce at least 50,000 tractors a year to enjoy similar economies, Mr. Egusa thinks, and the market for the time

Mr. Egusa says Japan's success with smaller tractors has been based on "co-prosperity" with the West (not on beed on compatible of the west of the wes

JAPAN HAS made a corner for the labels of big U.S. tractor enjoys undisputed supremacy in itself in the fast growing world manufacturers through what the market for tractors of 100 horse power and over while the VK leads in the middle range of 40 to 100 horse power.

Japanese tractor companies do make tractors for sale on Japan's own domestic market, and now claim to have won about 30 per cent of it away from imported brands. If they are to win a larger share of the home market, the Japanese manufacturers should logically be starting to think about exports since only by exporting are they likely to acquire the competitive edge they will need to succeed at home. Mr. Egusa admits this, but is reticent on the question of when exports of

large machines will begin. Kubota sells abroad through the overseas branches of Marubeni Corporation (a major general trading company to which it is related through joint membership of the Fuyo commercial and industrial group or (in major markets) through

though so far exclusively under industry) since the U.S. still exports to Britain.

Toho sets up plant

By Frank Gray

TOHO IRELAND, a subsidiary of Unisef, the Japanese elec-tronics concern, is to set up a f6m manufacturing plant in Dublin in partnership with Ireland's State-run Irish Development Authority.

Mr. Scamus Cashman, Toho's managing director and a former North American director of the IDA, said the IDA will hold 25 per cent interest in the new company, with the majority interest being held by Unisel, the trading arm of Toho Denki of Tokyo.

The new plant, the first such European venture by the company, is to commence production of tape decks, tuners and amplifiers in September and is anticipating achievement of annual sales of between £30m and £35m in its first five years.

It plans eventually to produce four-band stereophonic radios and casette tape recorders for car and home use.

From its North Dublin base where it will eventually employ between about 650 workers, it will serve the European market. The company will also provide sup-Yanmar, Shikawajima-Shibaura been based on "co-prosperity" Its UK sales company opened company will also provide superior about as many again, competition as in the motor after the company first began now supplied directly from though so far exclusively under industry, since the U.S. market,

CHINESE TEXTILE INDUSTRY

Hong Kong cautious on joint ventures

'Shop window' site bought

the EEC and the U.S. wait nervously to see what sorts of deals their Governments will bring back from quota talks with China, a somewhat more relaxed view of the likely problems and opportunities is evidently being taken in Hong Kong — the tex-tile trader which, in theory, stands to gain or lose most from any major Chinese expansion.

Already the world's biggest clothing exporter, with 90 per cent of output going overseas. Hong Kong clearly has to look over its shoulder at the emergence of a possible major new supplier such as China. At the same time it has the exper-tise which China will need if it is going to break into world markets, while China has an abun-dance of land, labour, and water all of which are in short sugply in the Colony itself.

With these attractions available, and China now welcoming foreign participation in its development projects it hardly surprising that a number of joint-ventures in the textile and clothing fields have already been established. Although number are hard to come by. it is known that at least one knitting joint-venture has been established by Macao, and per-haps 39 Hong Kong-backed gar-

general agreement among tex-tone important reason why tile industrialists, bankers and Hong Kong groups are unlikely patriots.

will for a long time pose a supplement Hong Kong's own strong threat to Hong Kong's quota levels.

own textile and clothing sector, Hong Kong manufacturers

CHINA Resources Company,

a Peking-controlled concern

which carries on a number of

trading and commercial activities in Hong Kong on

China's behalf is to undertake

a major property development

here including an exhibition

the centre will serve as a shop window for China's products

to help relieve growing pres-

sure on the bi-annual Canton

Fair in China. Hotel accom-

There is speculation that

centre.

BY ANTHONY ROWLEY IN HONG KONG

WHIE THE textile industries of ments operations have been flow increasingly concentrated also point out that the terms on started across the border in on high quality, sophisticated which participation is being southern China.

But, although the process The comprehensive trade res- in capitalism's favour. has started, there is fairly trictions on textile exports are

other observers in Hong Kong, to rush across the border. Both that it could be some time the EEC and the U.S. are before any but a tiny proportion, anxious to obtain tight quota of the Colony's textile and restraints on Chinese exports, clothing companies have forged, and this will limit the potential links with their Chinese come for expanding China's textile industry. China will not, as a Nor is it expected that China result, be in a position to

modation proved grossly

inadequate at the most recent

fair because of the flood of

businessmen wanting to do

has acquired a 6,000 square

metre (around 65,000 sq ft)

site on the Wanchai water-

front on Hong Kong island by

private treaty sale by the

Rong Kong Government. The price paid for the site was

EK8300m (£28m), a Govern-

China Resources Company

business with China.

ment spokesman said.

of capital invested in joint ven-

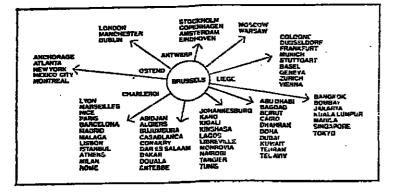
tures would be renaid with goods, Jess commission, with the equipment passing into complete Chinese ownership after a period of 5-7 years.

There is little incentive, therefore, to set up capital intensive operations, such as spinning and weaving, across the border, even though these are becoming much less economic in Hong Kong because of competition from utner low-cost producers in Asia and their heavy use of Hong Kong's most precious commodity, land.

In the more labour-intensive garment field Hong Kong manufacturers are doubtful if China's infrastructure will match their demands for quick and reliable deliveries—vital in a fashion industry which has to meet seasonal demands and there is concern, foo, about the quality of labour. Although the labour would be cheap,, it would also have to be trained and motivated to reach the quality standards Hong Kong must maintain to hold its markets.

Sabena's proposal

An unhurried airport at the centre of a busy international network



A privileged location

Sprawling, overcrowded airports are all too common in Europe. Brussels Airport is a welcome exception. Although centre of a vast international network, it maintains a human dimension by grouping all services within a single terminal, thereby eliminating bus transfers and long walks through endless corridors.

As the hub of Western Europe, Brussels Airport is geared to the needs of transit passengers, so crowds are

smaller, queues are shorter and baggage handling quick, reliable and effi-

The Sabena network

Founded in 1923, Sabena the Belgian airline was already operating regular flights to Central Africa as early as 1925. Today, Sabena carries over 2 million passengers annually to some 75 destinations in more than 50 countries around the globe. From the UK, Sabena offers you 99 passenger and 17

cargo flights per week from London and Manchester to Brussels, Antwerp, Liège, Charleroi and Ostend. Brussels is also directly accessible from Birmingham and Edinburgh without having to pass through London.

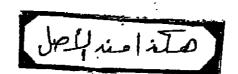
Manchester-Brussels

This year we are proud to celebrate the 30th anniversary of our first scheduled flight to Manchester. On June 15, 1947. a DC3 "00-AUV" touched down at precisely 12.54 p.m. bringing the first 13 businessmen by air from Brussels.

Today, Manchester is linked daily with Sabena's worldwide network.



Sabena and your travel agent are pareners and would be happy to proтау териіге.



Financial Times Friday June 15 1979

If your car can't manage over 30 mpg,* it's time you tried something different.

The big car has one big benefit. It cruises long distances quietly, quickly and comfortably.

It does however usually have one big problem. It gets very thirsty as it goes faster, and needs increasingly frequent stops for refreshment.

In these times of erratic fuel supplies at everincreasing prices, that's some problem. We'd like to suggest a solution.

The Rover range was designed, from aerodynamics to gearbox, to give long distance cruising at economic cost. The result is a range of cars that are spacious, luxurious, versatile and

powerful, all of which, as you can see from our chart, cruise at well over 30 mpg.*

And while they are ideal for the long haul (a big 14.5 gallon fuel tank will take you a long, long way), the Rovers perform very creditably in the stop/start of urban motoring.

In these troubled times, shouldn't you try something different? Send the coupon below. You'll discover

just how competitive
Rover performance and
economy is, and
what a pleasure
it can be.

*GOVERNMENT CERTIFIED FUEL CONSUMPTION FIGURESTED AT A CONSTANT 56 mph (90 km/h)				
•	ROVER 2300	36.8 mpg		
	ROVER 2600			
	ROVER 3500	36.3 mpg		
	All figures quoted for 5-speed manual	al gearbox†		

Complete Covernment Fuel Consumption Figures, Rover 5-speed manuals, 2800 turban modering 17.5 page 116.1 hr es/1001km/constant 56 mg/c000km/h/50.8 mg/c77 litres/1001km/constant 75 mgh/c1201 m/h/51.0 mg/c9/116 mg/c9/1001km/h/50.2 mg/c9/116 litres/1001km/constant 50 mgh/c9/116 litres/1001km/constant 50 mgh/c9/116 litres/1001km/constant 50 mgh/c9/116 litres/1001km/constant 50 mg/c9/116 lit

Aveling Marshall closure expected

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

by the autumn, with the loss of 763 jobs. The plant was acquired four years ago under the expansion strategy of BL's special products division.

Union officials have told the workforce at Gainsborough that the company will recommend the closure to BL, owner of Aveling Barford, at the next monthly meeting of the BL board. The officials, who met Mr. David Andrews. BL vicechairman, this week, said yesterday that they were prepar-ing to fight the closure.

The news comes only a week after Prestcold, also owned by BL, announced that it would be closing its two factories in Scotland with the loss of about 900

The future of other companies in the Aveling Barford equipment.

er if unions push for high wage

laims in the wake of this eck's Budget was issued yester-

my by Sir John Methven,

ti deration of British Industry.

diGiving his considered views

m the Budget in London, he

for nowledged that a pay freeze naght be necessary and said:

ant is not going to be an easy

penespite these problems, the

lved has also forced Sir John

vo fronts concerning taxation

First he has dropped his

opposition to VAT being raised

Chancellor of the Exchequer,

that a rate such as 12} per cent

would have serious conse-

ciated cuts in direct taxation.

He said that the Government

complain about the higher

nd pay policy.

quences for industry.

trim the CBI's policies on

iod." The next pay round ald be "extremely difficult."

rector-general of the Con-

likely—Methven

more bankruptcies" next win- businessmen will support.

Yesterday he did not feel able Mr. Alan Devereux, chairman

without risk but, despite the "approached with caution.

BRITISH-BORNEO PETROLEUM

SYNDICATE LIMITED

Extracts from the Statement of the Chairman.

Mr. Campbell Nelson, at the 65th Annual General

Meeting held in London on 14th June, 1979.

Net earnings for the year were £500,000 a record for the

Company. In addition Brupex, our Investment Trust Subsidiary Company, had net gains, after taxation, of £31,000 on realisation of

Both the interim and proposed final dividends have been

increased to the maximum extent permitted by Government. I told

you last year that when the restraints of dividends are relaxed or removed it is the intention of your Directors to recommend a larger proportionate distribution of profits. In view of the Budget

Statement we shall give effect to this intention in our next interim dividend payable in December.

The Stock Exchange value of our listed investments at 31st March last was £11,726.000 showing an unrealised appreciation of £8,154.000, an improvement of £2,727,000 over the prior year.

■ The make-up of our listed investments at 31st March last, at their Stock Exchange values, was 85° oil companies, 6° industrials, 6° gold mining and mining finance companies and 3°, preference

Our expenditure on Western Canadian oil and gas ventures

totalled £400,000 at the year end. The drilling to date has been

unsuccessful, but such ventures require perseverance and courage. We intend to continue cautiously and modestly keeping to our criteria of ventures giving promise of early payouts and attractive

Our listed oil company investments gave a star performance for the year in Stock Exchange appreciation and increased income. We take a favourable view on these investments for further appreciation in value and large income both in the short and the

The oil industry is strong. There is an insatiable appetite for oil and gas despite the price increase. The world has to learn to use this all important source of energy more economically. The indications are that we shall see further price increases in the years

ahead over and above levels of inflation of currencies. This will lead to more sophisticated production methods for oil and gas

lead to more sophisticated production methods for oil and gas fields giving larger percentage recoveries of oil and gas in place. It will also facilitate the development of many new fields and prospects including tar sands and shales, some of which at present prices are either marginal prospects or uneconomic. There is a long life ahead for oil and gas as a leader of the energy business and, even after the peak of potential production is reached, as a long term major contributor to the world energy needs.

Your company is in good shape to take advantage of investment opportunities as they occur and we expect to do well in the

Copies of the full Statement and the 1979 Report and Accounts are available from the Secretaries of the Company, 2 Broad Street Place, London EC2M 7EP.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London EC3V 3PB. Tel.: 01-623 6314.

Index Guide as at June 14, 1979

investments which have been placed to capital reserve-

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

AVELING BARFORD is expected to close its Aveling sale earlier this year, will demarshall plant at Gainsborough by the autumn, with the loss pressed an interest in the group. These include Acrow, which owns Coles Cranes and Priestman.
Acrow is believed to be in-

terested only in the Grantham plant of Aveling Barford, which is responsible for about two-thirds of the group's £60m sales. Aveling Barford is under-stood to have lost £9m last year, the loss at Aveling Marshall, Gainsborough, being about £7m. The losses are blamed on competitive market conditions.
BL paid £800,000 for Aveling

Marshall in August 1975 in a deal that was heralded by Mr. David Abell, then chairman of BL's special products, as a move that would save jobs and set the seal on BL's bid to become a major force in construction

what the country can afford in

Creation of such a forum has

the Government might not want

Some Ministers, and a con-

pay policy. Sir John said that the

ways of starting a public dis-

cussion about economic choice,

for example, through Ministerial

aid. On the eve of a visit to

to go ahead with the plan.

The plant was ursently in need of renovation and modernisation and BL set about programme. At one point, about 1,000 people were employed at the plant, which is still prob-ably the biggest employer in

Aveling Marshall is the only remaining UK-owned manufacturer of crawler tractors, a product which it had been intended to build up so that it could compete with the multi-

The remaining companies in the Aveling Barford group apart from Grantham are Goodwin Barsby and Barfords of Belton. BL hopes that these will now be sold separately, although the original intention, which had the tacit support of the previous Government, was that a single buyer would be found for the whole group.

More bankruptcies Air Ecosse wins route from BA

By Lynton McLain

BRITISH AIRWAYS bas lost WARNING that there will be risk, I believe it is the one which one of its prime routes in Scotland to the independent Sir John also refused yester-Air Ecosse, a charter line day to criticise the Government for not going ahead immediately formed two years ago.
The Civil Aviation Authority with the creation of an economic forum to educate people about

has told British Airways its rights to operate the service between Aberdeen. Wick and Shetlands is to be

withdrawn.
The state-owned airline plans been a cornerstone of the policies for pay reform drawn up to appeal, but its chances of in the past year by the CBI and success must be slim, in view of has also formed part of Conservative Party policy. But yesterday Sir John, who last the support for Air Ecosse.
The UK Atomic Energy Authority, the Highlands and week had informal talks with thei has welcomed the Budget. Mrs. Thatcher, the Prime guneral enthusiasm among Minister, said he accepted that cosinessmen for the tax cuts in the Government might not want Islands Deveopment Board, the Highland Regional Council. Caithness District Council and the Caithness Air Services Action Group all protested about the standard of the siderable body of opinion within British Airways service and backed the Air Ecosse the CBI, believe that a forum would inevitably lead to a formal

application. above 10 per cent. Last month CBI still wanted a forum but Sir John told Sir Geoffrey Howe. recognised that there were other the British Airways service did not allow businesmen time for a full day's work in north-east Scotland. Scientists at the Atomic Energy Authority's reactor at Dounreay found they often coud not reach the site of the CBI in Scotland, said from Wick Airport in time for 15 per cent figure now being yesterday that the Government introduced because of the asso-should not abandon its regional

meetings.
British Airways will still be able to operate the direct service between Aberdeen and the Shetlands.

Scotland today by Sir Keith Joseph, Industry Secretary, Mr. had made its own judgment Joseph, Industry Secretary, Mr. about the balance to be struck Devereux said that the 1972 Air Ecosse is part of the Fairbetween direct and indirect Industry Act had served Scotland flight group of general aviataxation. "That judgment is not well and that changes should be operates six Brazilian-made Bandeirante 18-seat twin-engined turboprop aircraft.

The new service, which it may start later this summer, will offer three return flights a day between Aberdeen and Wick and one flight a day to the

NEB's £475,000 stake in microfiche

THE NATIONAL ENTERPRISE Board has bought a £475,000 stake in Microform Communications International, a small company which started two years ago to develop a portable microfiche reader.

The investment was agreed before the General Election. It consists of £310,000 for 28 per cent of the company's equity and £165,000 in cumulative redeemable preference shares. A further 44 per cent of the equity is held by Norton War-burg Investments,

Tyne Metro £50m dearer

TYNESIDE'S Metro passenger rapid transit system is now expected to cost £50m more than the £161m limit set two years ago by Mr. William Rodgers, the former Transport

The scheme is two years behind schedule and is not expected to be complete until 1983-84.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967 MONUMENT PROMOTIONS LIMITED NOTICE IS HEREBY GIVEN, pursuant to section 283 of the Companies Act 1948 that a Metting of the Creditors of the above-named Company will be lield at the offices of LEONARD CURTIS & CO,

LEUNARD CURTIS & CO , structed at 3.4 Bentinck Street. London WIA 3BA, on Friday. Lie 22nd day of June 1979, or 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of Dated the Street. this 5th day of June 1979.

By Order of the Board.

L. P. BROPHY, Director

THE COMPANIES ACTS 1948 TO 1967 OUTSAFE LIMITED NOTICE 1S HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meating of the Creditors of the above-named Company will be the offices of the Charles of LEONARO CURTIS & CO.

LEONARD CURTIS & CO., situated at 3.7.5 Sentunck Street. London Wifa 3BA, on Thursday, the 21st day of June, 1979, at 3.00 o'clock in the afternoon, for the purposes mentioned in sections 294 and 295 of the said Act Dated this 6th day of June 1979.

B: Order of the Board, A. R. PETERS, Ordestor.

Joseph to use State industries' buying policy as stimulus

BY OUR INDUSTRIAL CORRESPONDENT

SIR KEITH JOSEPH, Industry Secretary, said yesterday that he plans to use the purchasing policies of the nationalised industries as a means of stimulating the performance of manu-facturing industry and the quality of its products.

He told members of the Engineering Industries Association that he had been pleased to find that in the Post Office, for example, "there is enormous scope for product innovation" as regards the Post Office itself and its suppliers.

"Sir William Barlow, the chairman, is a man with whom I am eager to work in increasing the efficiency of the Post Office. I am looking forward to supporting him in all his

Sir Keith pleased his audi-ence, many from small engin-eering concerns, when he told them that companies such as their were often more innova-tive, and ejoyed better indus-trial relations, than the larger companies. He also told them: You are the bastions of

Conditions would be competitive, and the exchange rate compared with their main over-would make life more difficult seas competitors."

for industry. "In fact, we shall insist on competition, but the Government will try to leave you with enough money to reward your efforts.

Earlier, Sir Keith had been told by Dr. Frank Jones, president of the association, that the higher cost of borrowing brought about by the increase in MLR would make it more difficult for the engineering industry to invest in more

capital equipment.

The need for such investment was emphasised by Dr. Jones, who quoted a survey carried out by the association among its members showing that the value of fixed assets per employee had been mostly falling below the rate of inflation in every year since 1974.
Dr. Jones said: "The main

task of the new Government is to produce an economic climate that makes it worthwhile spending money on the installation of modern plant and machinery. "Our survey shows that our

employees are struggling to compete with far less than half the value of plant and machinery at their disposal,

Public expenditure cuts 'just a start'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

firmness of the Government's commitment to reduce public expenditure over the next few years, according to Sir Anthony Rawlinson, senior Treasury official responsible for public spending

Sir Anthony, a Second Permanent Secretary, yesterday told the annual conference of the Chartered Institute of Public Finance and Accountancy at Eastbourne that the decisions announced concerning 1979-80 should be seen as "the Passengers complained that of spending plans."

Sir Anthony emphasised the is strong," new Government's policy of Sir Ant

for in the original cash limits. with the "That may in itself be efficiency.

NO ONE SHOULD doubt the regrettable where the plans are good plans, but it may not be as regrettable as the financial consequences of going on with the

"The amount, and the problems, vary from programme to programme, but in 1976-77, when prices moved ahead on average about 5 per cent more than had been provided for in the cash limits, this degree of successfully absorbed by adjustment during the year of the programme con-cerned. What is required this year is likely to be somewhat more, but the political impetus

Sir Anthony also discussed using cash limits vigorously in the role of the Comptroller and managing and controlling public Auditor General and the expenditure. Outlining the Exchequer and Audit Depart-development of cash limits over ment, and the various suggesthe last few years, he said they tions by Commons committees responded "to the need to plan, for a review of present practice. responded to the need to plan, and to keep to plan, a key A consultative document is element in financial and likely to be published setting counter-inflationary policy, the cash expenditures of the public decision in Parliament.

In particular, he said there

He recognised that the was much to be said for deter-squeeze through cash limits mining the main issues defin-would lead to modifications in itively through legislation. He further 750.000 dwt of Britishvolume plans as a result of in- urged that the development of flation being faster than allowed accountability should be linked development

German output 12 times London's, says Times

BY MAX WILKINSON

THE PRODUCTIVITY that of their counterparts in in Frankfurt, we would have to Britain, claims Mr. Michael pay £2,868 in Grays Inn Road."

Mander, deputy chief executive.

He adds that if the differentiation of the counterparts in t

furt in May, but was thwarted by union opposition and pickets. The venture was abandoned after only a limited number of copies of a 24-page issue had been printed. The type for the edition was set on computer-

copy of the paper printed is before July 4.

of about 0.175p in London com-German typesetters who pro- pared with 0.061p in Frankfurt duced one issue of The Times He says: "Put another way, was nearly 12 times greater than for every £1,000 paid in salaries in Frankfurt, we would have to

He adds that if the differen-The Times, shut since Novem- tial in wage costs is added to ber 30, attempted to produce a the extra productivity from com-Continental edition in Frank-puter typesetting equipment instead of traditional hot metal machines, productivity in the typesetting department is 11.9 better in Frankfurt than in London.

that which The Times seeks to Denis Hamilton, the chairman introduce into its Grays Inn of Times Newspapers, the management has requested a In an article in Campaign further meeting. The chapels relax part of the regulations and today Mr. Mander says the have said that they cannot permit price comparisons with labour cost for each page of each arrange another joint meeting named retailers and with re-

Merchant fleet still declining

Shipping Correspondent By Ian Hargreaves,

BRITAIN'S merchant fleet continued to decline sharply during April and has suffered a 20 per cent fall in carrying capacity in the last three years.

According to figures from the General Council of British Shipping yesterday the fleet suffered a net loss of 40 ships totalling 2.75m deadweight tons in April, taking the reduction so far this year to 4.5m dwt. As a result, the UK owned and registered fleet fell by the end

of April to under 40m dwt, compared with a peak in 1975 of 50m dwt. Mr. David Ropner, president of the General Council said the decline "had serious implications for the national economy

and in particular for our long-term balance of payments. Britain's sea transport account slipped into a £300m deficit last year; the first deficit since 1974.

Mr. Ropner said the industry was making renewed efforts to improve its efficiency in consultation with trade unions but there was no easy formula for stopping the decline.

The decline has also had a serious effect on employment in the industry, although the biggest burden has been carried by non-British seamen employed on UK-flag ships.

Officers

Since the end of 1977, there has been a 5 per cent reduction in the number of British officers to an end-April figure of 36,000 and a fractional reduction in the number of British ratings to

The number of non-British ratings has fallen in the same period by 25 per cent to 11,500. Although these trends are a great worry to the industry, not all of the ships moving from the British flag are going out of British control. Some owners are changing to lower cost flags of

convenience in an attempt to recover their competitive edge. It is also clear, with hindsight, that many British owners, under financial pressure, sold their ships at the worst possible period during the first half of last year.

Since then, the value of most second-hand vessels has increased sharply, some more than doubling. Lambert Brothers, the London

shipbroker, says in its latest market report that if the 54 British bulk carriers sold last year were still under British flag today. British owners' books would be showing an extra £110m of assets.

The Cunard Champion, for example, sold by Cunard a year ago for \$4.42m, has recently been

flag ships were sold during May. Some of these are forced sales due to financial pressures, others are part of planned modernisa-

Bargain offers restriction to be eased

Financial Times Reporter

MRS. SALLY OPPENHEIM. Minister for Consumer Affairs, has agreed to ease restrictions, due on July 2, to deal with bargain " offers.

The original proposals for panning "mythical bargain banning "mythical bargain offers," outlined by Mr. Roy Hattersley, Labour's Prices Secretary, in March, included provisions outlawing retailers and advertisers from making been printed. The type for the edition was set on computerTimes union representatives retailers and, in many instances, controlled equipment similar to (fathers of chapels) and Sir with recommended retail prices.

Following consultations with retailers and manufacturers-Mrs. Oppenheim has agreed to commended or suggested prices

Sterling M3 rises by £630m

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING M3, the broadly-defined money supply, rose by £630m, or 1.2 per cent, in the month to May 16, on a seasonally adjusted basis. This brings the increase since mid-October to about 71 per cent, or some 13 per cent at annual rate.

Ml. the narrowly-defined money supply including cash and bank current accounts, was unchanged after a very sharp rise in the previous month. Domestic credit, the money supply after deducting external influences, expanded by \$945m in the month to mid-May. This means that the total expansion of domestic eredit in the past six months has

The main boost last month came from a

further very strong rise in bank lending in sterling to the private sector, up by £870m.

	1		GRO'	WTH 0	F MONET	ARY AGG	REGAT	ES (£m)			
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13	}		Seasonally			Sessonally			Seesonall		Seasonally
٦ſ	1	Unadjusted	adjusted	76		d adjusted	. 76				rlad adjusted
	June 21	312	—28	—0,1	209	402	0.9	637	501	514	517
	July 19	763	549	2.3	935	-670	1.4	1,005	428	654	1 <u>22</u>
r.	August 16	135	150	4.0	—487	-225	-0.5	—163	317	388	190
7	Sept. 20 .	137	249	. 1.0	478	477	1.0	11	16	540	659
	Oct. 18	478	235	1.0	535	365	0.8	415	397	587	496
10	Nov. 15	40	. 44	0.2	254	343	0.7	269	443	150	287
CS.	Dec. 13	989	385	2.3	950	743	1.5	5	474	1,241	1,092
È	1979		<u> </u>								
	Jan, 17	~- 548	203	0.8	332	7,002	2.0	1,275	494	344	807
	Feb. 21	222	· 222	0.9	-34	530	. 7.1	7,213	7,097	385	1.089
	Mar. 21	303			346	387 ·	-0.2	427	760	-395	—263
8 8 14	Apr. 18	1.517	789	3.0	1,598	731	1.4	543	528	7,760	846
4	M≥y 16	- 189	3	_	389	629	1.2	622	869	515	945
_	* To prh	rate sector in	sterling i	ncluding	Bank of En	gland Issu	e Depart	lment holdin	gs of cor Source:	nmercial Bank of	bills. England

Survey forecasts export recovery

BY DAVID FREUD

UK EXPORTS are likely to recover in the second half of the year, according to a survey of big exporters conducted by the Department of Trade.

But the results suggest that the exports lost in the first part of the year are unlikely to be recovered.

This means that the underlying rate of expansion is expected to be in line with the poor performance of last year.

This means that the underlying rate of expansion is expected to be in line with the previous half-year. The fotal should rise by between 5 and 6 per cent in the second half.

The estimates, derived from the control of the year and the survey indicates that the previous half-year. The fotal should rise by between 5 and 6 per cent in the second half.

poor performance of last year, when the volume of exports grew by 3! per cent.

Because of the drop in the first quarter—due to industrial disruption and difficulties in Iran and Nigeria—the overall volume of exports this year is expected to be only 2 per cent above 1978.

per cent in the second half.

The estimates, derived from the Department's April survey of export prospects, do not reflect the latest round of off price increases or the past-buoyant than those of the previous survey in January.

In particular, exporters, form

expected to be only 2 per cent previous survey in January above 1978.

The growth is well down on cast can annual rate of increase the expected levele of expan in prices in file last three sion of world trade, which most quarter of the year at 13 per forecasters believe will stay cent. This compares with 94 per around last year's level of 5 cent in the first quarter and per cent.

Councils 'need £540m more for pay rises'

There are growing fears that an extra £540m. Government expenditure cuts. coupled with local government authorities could meet this additional rates this year.

that those local authorities

very hard."
His comments follow Government's decision to cut £300m off the extra amount local authorities expected to receive MP for Bootle, in a Commons through the rate support grant this year to cover inflation. Mr. Michael Heseltine, Environment Secretary, has told the association that he expects local authorities to make actual savings rather than simply raid balances.

FURTHER PAY settlements in increases of about £1.46bn this th local government sector could leave local authorities short of spar whereas the original cash leave local authorities short of spar whereas the original cash limit figure on rate support grant had been based on a figure of £850m. After taking account of additional grant he said local authorities would "have to find The degree to which local

wage settlements, will force deficit from balances is uncer-some local authorities to levy tain. Following the last rate suptain. Following the last rate support grant settlement in Novem-Mr. Taylor, addressing the ber — when local authorities annual conference of the Charwere urged to draw on balances tered Institute of Public to keep rate rises down — it is Finance and Accountancy in thought that about 20 per cent Eastbourne, said that some local of the local authorities started authorities would be able to the financial year with balances draw on balances but warned totalling less than 3 per cent of their planned current expendiwithout balances "will be hit ture. It is these local authorities which will be most under pressure to raise the rates again

> motion signed by more than 60 Labour MPs, called on local authorities to increase rates immediately rather than cut services.

Mr. Roberts said councils should not wait until next year before asking ratepayers to "pick up the bill for the most Mr. Taylor said that it was "pick up the bill for the most clear that local authorities Right-wing government since would at best face pay and price the war."

NatWest Registrars Department

National Westminster Bank Limited has been appointed Registrar of

'W'RIBBONS HOLDINGS LIMITED

All documents for registration and correspondence should in future be sent to:

National Westminster Bank Limited Registrar's Department PO Box No 82 37 Broad Street Bristol BS99 7NH

Telephone Bristol (STD Code 0272) Register enquiries 290711 Other matters 297144

OCEAN TRANSPORT AND TRADING LIMITED

Notice is hereby given of the appointment of Lloyds Bank Limited as Registran

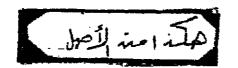
All documents for registration and correspondence should in future be sent to the address below:

> G.T. EVANS. Secretary



Lloyds Bank Limited, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA. Telephone: Worthing 502541 (STD code 0903)

Hords Bank Limited



Ve profit from a product that's made for all the energyalternatives.



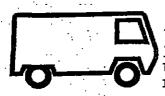
Nearly half the world's manufactured goods are moved by battery powered fork lift trucks. Saving millions of barrels of oil. And keeping the air clean. Chloride make more fork lift truck batteries

than anyone else in the world.

Hospital operating theatres, computers, air traffic control systems all depend on a power supply that must never ever fail.

Chloride batteries and systems stand by to provide emergency power in this vital and growing market.



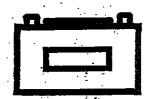


Batteries could power city-centre transport today Chloride battery powered vehicles are proving in cities in Britain, America and Australia that pollution-free battery power is a practical

Submarines need a very special kind of power. To drive the submarine itself. To run the life support systems. Even to drive the torpedoes.

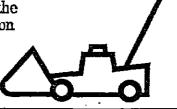
Submarines are just one of many different defence applications for batteries. And Chloride are major suppliers to Britain's Armed Forces.





There are nearly 20 million cars and other motor vehicles on Britain's roads. Each one has a battery. And Chloride make more than any other manufacturer.

Batteries have an important role to play in the vast and growing leisure business. Over 5 million batteries are used in this industry in the USA alone. Powering anything from golf carts to lawnmowers.

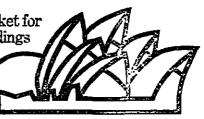




Ina mains power failure your telephone keeps working. It is powered by batteries. In Britain 60% of these batteries are made by Chloride.

Tough new laws are creating a vast market for emergency lighting systems for public buildings all over the world.

Chloride batteries and systems are world market leaders in this vital field.



Just some of the things Chloride batteries are doing today. And not Britain. As world rechargeable battery leaders, our market is a world market sell into no fewer than 125 different countries, with manufacturing bases the United States, India, South Africa, Australia and 28 other countries

There's little doubt that Chloride lead the world in research in techniques to store electrical energy. But it's important to recognise improvements that have been made to existing batteries.

Today's car battery, for example, is five times more efficient that back in the early days of motoring.

All this has helped our company to a best ever pre-tax profit a

So much for our success to date.

Chloride's business is well and truly in the growth sector of the energy industry. As the world searches for alternatives to oil and gas, the future for batteries becomes almost limitless.

Because the only way to develop the new energy sources to their full potential is to turn them into electricity.

More electricity means more things for batteries to do.

> And many many more batteries. Use electric-save oil.

31 March 1979.	3	1977-78	1978-79	
THIRD PARTY SALES.	£m	306.0	346.0	up 13%
PROFIT BEFORE TAX	£m	25.1	29.0	up 16%
PROFIT ATTRIBUTABLE	£m	13.0	17.3	
EARNINGS PER SHARE (aft	ertax)	10·3p	13·8p	



Williams & Glyn's

Interest Rate Changes

Williams & Glyn's Bank announces that with effect from 15th June itsBaseRate for advances is increased from 12% to 14% perannum.

Interest on deposits at 7 days' notice is increased from 91/2% to 111/2% per annum.

WILLIAMS & GLYN'S BANK LTD 💥

Hill Samuel **Base Rate**

with effect from the close of business on Friday, June 15, 1979, their Base kate for lending will be increased from 12 per cent to 14 per cent per annum.

Interest payable on the Bank's Demand Deposit Accounts will be at the rate of 111 per cent per annum.

Hill Samuel & Co. Limited

100 Wood Street London EC2P 2AJ Telephone: 01-628 8011

loans hint

HOME LOANS could rise before the end of the summer if a difference of opinion among interest rates stay at their current level, warned Mr. Gerald Aspell, chairman of the ability to ride out the recent HOME LOANS could rise before

Aspell, chairman of the Leicester Building Society last rise in interest rates.

The societies are lending Mr. Aspell, speaking to businessmen in Leicester, also warned that there would be no let-up in house price rises as wage increases and Budget tax cuts added to disposable income.

He said: "It is early days to be precise, but if MLR stays at its new level for any length of time, we shall need to increase the present level since Novemtime, we shall need to increase the interest rates before the end of ber.

After this week's 2 per cent societies—now running at about rise in MLR, the three-monthly £300m a month — have also local authority loan rate increased to 132 per cent. This compares with the building society grossed up share rate of this receipts are still well below the level needed to meet, demand. Societies foot 11.4 per cent.

the present level since Novem-Net receipts into building societies—now running at about

to meet demand. Societies fear The three-monthly figure is an important benchmark for as disposable incomes rise and the societies, which regard with the prospect of having to principal competitors for funds. To meet demand. Societies fear that this pressure will increase as disposable incomes rise and with the prospect of having to provide finance for council house sales.

Imperial cigarettes up 6p on Monday

retail prices will apply to the company's goods despatched to subject to "ad valorem." duty the trade from next Monday, but the increase in VAT will be increase in VAT will be increased in VAT wil

bine 64p.
On average, about 4p of the cigar to 23 p.

IMPERIAL TOBACCO—part of general 6p rise is accounted for the Imperial Group—yesterday by the Budget incerase in the announced details of post-VAT rate from 8 to 15 per cent, Budget price increases. Its and about 2p to the "ad cigarette branch will be raised valorem" element in tobacco by 6p for 20, as foreshadowed duty which, although upchanged by Sir Geoffrey Howe, in the Budget, has to correspond Chancellor of the Exchequer, on to 30 per cent of the new Tuesday. The new recommended recommended retail price.

bring the following changes in June 18:

Embassy No. 1 cigarettes, Imperial's recommended retril

Embassy filter, Players No. 6 prices: Golden Virginia—up 5½p |

king size and John Player king per 25 grams to 86½p; St. Bruco size will be 63p for 20. Lambert and Butler king size 61p, Players No. 10, 57p, and Woodbine 64p.

Players No. 10, 57p, and Woodbine 64p.

On average about 4n of the cigar to 23½p.

Ruling on car VAI

CARS PAID for in full before . The position was made clear Monday will attract VAT at only yesterday by the Customs and 8 per cent, even if customers do Excise. "If a customer pays in not take immediate delivery. This is likely to create a sales

full and is issued with a receipt then a tax point is created." a spokesman stated.

However, dealers will be able to sell only those cars which have already been ordered from the factory and allocated to them. Hire purchase deals will be at the new 15 per cent rate.

Dearer home | Sailing ships may make comeback

KITES, whirling sails and the with a "slow-steaming, equiva-development of rigid-sail boats lent-size motor ship." by the design company, Wind-rose Ships of Southampton-such as the Cliffon Flasher In practice however the sailwere suggested yesterday as possible ways of aiding the return of commercial sailing

Soaring fuel costs and improved understanding of sail aerodynamics prompted the ideas, which were debated at a Department of Trade and Industry conference in London. Government funds have already been used to develop a wind turbine, though the Industry Department last year refused to fund a hill-scale design for a British five-masted, 12,000 - deadweight - ton cargo

In practice, however, the sailing vessel would have to operate in competition with larger power vessels. The economies of scale "would render the sailing vessels uneconomic."

At high fuel prices, the sail-ing cargo ship could offer-freight rates up to 18 per cent less than those of an equivalent motor ship. But this would depend on both vessels having the same crew costs. The capital costs and insurance would need

clipper. A team from the University of Wales told the conference that in theory a 15,000 dwt sailing vessel could compete

Captain Mike Willoughby, representing Windrose, said its sailing crew costs were about £100,000 a year, compared with £67,000 for a motor ship. The food bill was estimated at £8,000 a year, double that of an equivalent motor vessel. But the company believed that total potential savings, based on its early designs and 1977 oil costs, could be £400,000 a year.

The conference also heard that designers were evaluating "Venetian blind" horizontal strip sails for possible use on cargo ships. These would be rigid, like the sails of the world? Last summer, the Industry Department's Ship and Marine Technology -Requirements speed record breaking Clifton Board, which assesses the Flasher, built six years ago. At potential of research projects, the moment, designers have funded a £5,000 feasibility study found no way of stopping these

efficient sails working when the boat is in port.

The conference learned that a more conventional sail has been used to power a jack-up oil

Opening the conference, the Duke of Edinburgh said the symposium could do more than stimulate discussion.

"It is a signal to those with imagination and enterprise that ideas are wanted and that their ideas will be taken seriously."

He 'also sounded a warning. The successful development of wind-driven ships, or ships driven by other sources of power, will depend on the support and encouragement made available to research projects in the future and by the judgment exercised in their control and evaluation."

Airfix in

venture

equipment

AIRFIX PRODUCTS, known mainly for its assembly kits of

model aircraft and vehicles, is

moving into the sports equip-ment business with a range of popular. lightweight goods, aimed initially at the family summer holiday trade.

The range, labelled 'Sports-

time," comprises seven sets of equipment, including tennis

and badminton racquets, cricket

their respective accessories. Most of the equipment is made

Mr. John Abbott, managing

director of Airfix Products, said yesterday he hoped wholesale returns this summer would reach £½m. Outlets included select stores belonging to Woolworth, W. H. Smith and Boots. Sports equipment was a problem expending market with

sports equipment was a rapidly expanding market, with UK sales expected to be £220m by 1982, double the 1977 level.
World demand for toy assembly kits had fallen by 15 per cent over the past five years, although Airfix Products had formed its part of the par

increased its market share, he

Last year, the seven com-panies of the Airfix Group, including Meccano-Dinky and

concerns in the U.S. and West

Germany, had a turnover of £38m. Airfix Products accounted for 35 per cent of

group turnover, and assembly

kits formed 80 per cent of Air-

in the Far East.

bats and croquet mallets, and

Pedal flight seen as 'new sport'

By Lynton McLain

NEW KNOWLEDGE of aerodynamics and aircraft weight reduction has come out of research which led to the first man-powered flight across the Channel. Dr. Paul MacCready the designer of the prize - winning Gossamer Albatross said yesterday.

Dr. MacCready, saw "no real practical applications for manpowered flight."- But it had potential as a sport. "In five years there will be many hundreds, if not thousands of man-powered aircraft." Kits. he said, would sell for about

The Gossamer Albatross had cost £800 ln materials. but the whole project had cost Du Pont, the chemical sponsors, about

Turbulence

Mr. Bryan Allen, the 26rear-old Californian pilot who penalled ten it above the waves, said he had nearly given up four times. High waves in mid-Channel created turbulance and at one point he dropped to within six inches of the water.

He ran out of drink on the last stretch, his right callsuffered from cramp and a shark appeared as the aircraft approached the French coast. Had the pilot seen it, he probably would have speeded up, MacCready

Industrial accidents cause more deaths

BY OUR LABOUR STAFF

THE NUMBER of workers statutory duty to report killed in industrial accidents accidents. last year was 651, with a further 340,294 injured, according to allow comparison with previous provisional figures released figures, there were 551 deaths yesterday by the Health and and more than 324,200 injuries Safety Executive.

The 1978 figures include, for the first time, accidents reported among 7-8m employees who were brought within the scope of safety legislation last year by the Health and Safety at Work Act 1974.

In this group 70 deaths were reported last year, with 16,800 other accidents, but the executive said yesterday it was unsure how representative these figures were, as employers of this group currently have no

Excluding the new group to last year. Figures for 1977 were 514 deaths and 325,700 injuries. but the executive said yesterday the increase in the number of deaths was within the range of annual fluctuations.

Deaths in mining and quarry-ing rose from 54 to 84 and in construction from 130 to 144. Deaths in manufacturing Deaths industry fell slightly from 179

Health and safety inspectors and other agencies made 1,813 prosecutions and 15.621 enforcement notices were issued.

Working party urges planning inquiry change

THE GOVERNMENT was urged yesterday to consider the need for a new form of planning inquiry for major projects,

The existing type of inquiry has caused a great deal of dise-ti-f-ction, said a report prepared by scientists, planners, Conventional public local

inquiries have a number of drawbacks, and are especially unsuitable for investigatin the uncertainties surrounding new and complex technology.

by a working party sponsored by the Council for Science and Society, the Outer Circle Policy such as the building of a new Unit and the Council of Justice, type of nuclear power station or suggests that a "project in-the third London airport. quiry" undertaken by a com-mission should examine the need for major projects and publish a report which would then be debated and voted on

Instead the report, produced

The report adds that the present local inquiry system is perfectly adequate for local planning matters, but not for examining proposals involving national issues.

in Parliament.

fix Products' sales. Heavier lorries 'threat

to .villages' PROPOSALS TO allow heavier lorries on Britain's roads should be rejected on grounds of safety. ance, claims the National Association of Local Councils, re-presenting 8,000 local govern-ment units in England and

Increases in maximum weights would enable lorries to carry the standard 30 tonne containers at present carried by rail. This would prompt a fur-ther shift of freight haulage from railway to roads, the asso-

ciation said. Villages and towns would suffer "disastrously." Heavier weights would cause further damage to roads, where there was already a backlog of re-pairs after the very bad winter

MORE WORKERS are to be made redundant at a West
Midlands bedding company
where 1,000 jobs have disappeared in the last three years.
The Vono factory at Tipton
now aims to shed 98 of the 196

REGISTERED FOR VAT

Changes

IMPORTANT NOTICE TO PERSONS

From 18th June 1979the Higher Rate of VAT is abolished and the Standard Rate of VAT is increased from 8% to 15%

This means that from 18th June 1979 you must account for tax at the new rate of 15% on all supplies previously taxable at 8% or 121/%.

New VAT fraction

The new VAT fraction for calculating VAT from tax-inclusive amounts is 3/23rds.

What you must do

You should follow the general guidance given in Notice 716 on rate change procedures. However, those rules have been amended to allow you to charge VAT at the old rates on supplies which you in fact made before 18th June even where the tax point occurs on or after that date (eg. because you issue an invoice on or after 18th June for supplies in fact made before then). More information about this amendment is given in Leaflet VAT 716/1/79, which you can get from your local VAT Office.

If you are a retailer you must follow the rules about rate changes given in the Supplement to Notice 727 for the special retail scheme you are using. If you use Scheme E or Scheme J you must carry out the required stocktaking at close of the last day of trading before 18th June. If you make supplies only at the present 8% and 12%% rates, only Scheme A will be available to you from 18th June. Notice 735, which gives further information and includes a ready reckoner for calculating VAT at the new rate from tax-inclusive amounts, is also obtainable from your local VAT Office.

Issued by HM Customs and Excise.

London pays £2.5m to keep peace

THE HEAVY cost to the slightly down on 1977. While the willingness of some arrested chester, in Manchester yester-London taxpayer and ratepayer the "clear-up" rates for these criminals to give evidence for day.

of keeping the peace was highcrimes remained at 21 per cent, the Crown."

The police were not satisfied
lighted yesterday by Sir David there was a slight drop in the
McNee, Commissioner of the number of people arrested. Of
Metropolitan Police, in his the 108,167 arrests made, 27 per
Manchester yesterday.

The police were not satisfied
is the proper for 1978.

The police were not satisfied
for the proper in the firearms were involved in just to bring alleged wrongdoers to justice, he told the
Manchester Luncheon Club.
The legalistic assumption that

annual report for 1978.

Public order in the capital was maintained despite an "unprecedented number of demonstrations, industrial disputes and processions." But the price of policing such events was high—for 18 major demonstrations—many of them National Front and anti-Nazi confrontations—the bill came confrontations—the bill came to almost £2.5m. The heaviest police cost of all last year, however, was during the two-day Notting Hill carnival last August amounting to nearly

Apart from maintaining against armed robbery met with public order, Sir David says that particular success last year, says serious crime dropped margin-serious crime dropped marginally for the first time in eight robberies, totalling 20, compared with 41 in 1977, "This is ally for the first time in eight vears and the overall number of pared with 41 in 1977. "This is sweated before" should be among us, are surely not attributed partly to the established in Britain, said deserving of much save severe totalled over 500,000. Robbery Squad and partly to Constable of Greater Man-punishment."

The Vono factory at Tipton have never fear even in the stoutest hearts among us, are surely not deserving of much save severe cut back a year ago. The firm say there is insufficient work to maintain the labour force.

Of the categories of crime which increased last year, assaults were up by 10 per cent.

of firearms was concerned there the police service must remain were only 56 incidents when totally aloof and disinterested weapons were drawn from their was folly. The police had to holsiers and a total of eight believe that justice had been shots fired on two separate done and was being done, for Sir David says: "There will be no departure from the tradi-

But the 118 homicides—murder, of the public and to my officers consideration, of sympathy and manslaughter or infanticide— if I did not ensure that a understanding, of compassion reported were 24 fewer than in sufficient number of police and care and nothing else.

1977 and 106 of those cases were cleared un. 1977 and 106 of those cases were officers are properly trained in "Rampaging, drunken and cleared up."

The Scotland Yard campaign able to meet the threat of the city streets, crash through officers are properly trained in the use of firearms and availvicious, armed criminals." Penal work camps, where damage and wreak havoc hooligans should be made to wherever they go, and implant

that was the motif and main-spring of their actions.
"In this connection, none of tion of the unarmed London us should foolishly think that bobby. I would be failing in my all convicted offenders are duty, however, to both members simply in need of kindness and

our shops and our stores, cause

Bedding group reduces jobs

APPOINTMENTS

North regional director for NatWest

Mr. K. V. Suiton has been appointed commercial director of Hill Samuel Investment Management of Hill Thankum. He has been succeeded by Mr. W. I. James as works director of the IMI Titanium plant at Waunariwydd, Swansea.

Mr. A. P. McLeish, regional director of the England and Wales region of COLAS (UK), has been appointed to the main Board.

Noble Lowndes and Partners, has become a director of Hill Samuel Investment Management.

Mr. John R. Wright has been appointed an assistant general manager, international division, BANK OF SCOTLAND, from June 25. Mr. Wright was until recently president and chief administrative officer of the United California Bank International, New York.

Mr. Lestle Young, chairman of
J. Bibby and Sons, has been appointed a director of the North Regional Board of NATIONAL manager of the tape—and—allied—will recently one of the Mersey Docks and Harbour Company.

Mr. John P. Stanton, who has been managing director of Holset International. a Huddersfield-based subsidiary of CUMMINS ENGINE COMPANY INC, has been mande vice-president of the Cummins' component companies in Londou, Huddersfield and Halifax.

Mr. K. V. Sulton has been appointed commercial director of Hill Samuel Group. Mr. Basen appointed commercial director of Int ITTANIUM. He has been appointed to the Roard of Hill Samuel Group. Mr. Bright has been appointed commercial director of Halset appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed commercial director of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Hill Samuel Group. Mr. Bright has been appointed to the Board of Hill Hill Samuel Group appointed to the Board of the Bright has been appointed to the Board of the Bright has been ap

Middletown, Ohio, U.S. Mr. T. J.
Marett has become assistant
director of the division and Mr.
G. D. Miller has been made
secretary to the Board.

Following its acquisition by
Lonrho, SCOTTISH AND UNIVERSAL INVESTMENTS states
that Mr. D. R. Campbell,
managing director, Scottish and
Universal Newspapers; Mr. J. R.
Crawford, managing director,
George Outram; Mr. K. A.
Graham, managing director,
Whyte and McKay Distillers; Mr.
J. H. Fyfe, group financial
controller, and Mr. A. D. Peebles,
group company secretary, have Titanium plant at Waunariwydd, Swansea.

Mr. A. P. McLeish, regional director of the England and Wales region of COLAS (UK), has been appointed to the main Board.

Two new directors have been appointed to the Board of 3M UNITED KINGDOM. They are: Mr. Wike Atkins, general manager of the photographic formulations and Latin America.

Manager, international division, George Outram; Mr. K. A. Bank, A. Andrew has Graham, managing director, Whyte and McKay Distillers; Mr. been appointed a general manager of SCANDINAVIAN White and McKay Distillers; Mr. been appointed a general manager of SCANDINAVIAN and ministrative officer of the company secretary, have managing director of Scannivest-controller, and Mr. A. D. Peebles, BANK. while continuing as group company secretary, have managing director of Scannivest-controller, and Mr. A. D. Peebles, BANK. while continuing as group company secretary, have managing director of Scannivest-controller, and Mr. A. D. Peebles, BANK. while continuing as group company secretary, have managing director of Scannivest-controller, and Mr. A. D. Peebles, BANK. while continuing as group company secretary, have managing director of the company. Br. T. J. Madan L. Mehta is promoted to the company of the company in Mr. Robin Ahlström, Mr. Lars established an intervational division, George Outram; Mr. R. A. Andrew has general manager of SCANDINAVIAN administrative officer of the company secretary, have managing director of Scannivest-controller, and Mr. A. D. Peebles, Mr. Rehard A. Andrew has general manager of SCANDINAVIAN administrative officer of the company secretary. have managing director of Scannivest-controller, and Mr. A. D. Peebles, Mr. Rehard A. Andrew has general manager of SCANDINAVIAN administrative officer of the company. Bank III. H. Fyfe, group financial manager of SCANDINAVIAN administrative officer of the company. Bank III. H. Fyfe, group financial manager of SCANDINAVIAN administrative officer of the company. Bank III. H. Fyfe, group financial manager of SCANDINAVIAN administ

Mr. Carlo Cammelli has been appointed by AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION as vice-president and general manager for UK and Ireland. He will report to Mr. Richard Fenhalls, senior vice-president with responsibilities for the Europe I Region.

Mr. Malcolm Batey has been appointed managing director of ANZON in succession to Dr. Balph Bey, who will retain the position of chairman. Anzon is a subsidiary of Lead Industries Group.

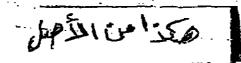
The Secretary for Education has eppointed Mr. Stuart Sexton as his special adviser.



Mr. Leslie Young

department in succession to Mr. Kari Walden who is returning to Finland to take up a corporate

The COUNCIL OF THE SOCIETY OF MOTOR MAST FACTURERS AND TRADE has re-elected each of its 197 honorary officers for anoterm: president Sir Barrie He deputy president Mr. D. A Plastow; vice-presidents Bernard Scott, Mr. W. Pric. Mr. P. W. C. Griffith; hon



ENERGY REVIEW

BY RAY DAFTER, Energy Editor

The world's other oil resources

THERE IS no reliable gauge of 600bn barrels to future crude that the amount of recoverable the amount of oil left in the oil supplies almost as much as oil will be stretched as time earth's stock tank. The contine present proven reserves of passes, sensus view of global resources conventional oil.

At r is that originally the world contained about 2,000bn barrels these resources is close at nand, is being left in the ground of recoverable oil of which certainly closer than some other because it is either too difficult about half has already been discovered. So far around 400bn barrels have been government agencies, as show the right conditions and engovernment agencies, as show the right control industry and the right conditions and engagement agencies are recommended in the right conditions and engagement agencies are recommended in the right conditions and engagement agencies are recommended in the right conditions and engagement agencies are recommended in the right conditions and engagement agencies are recommended in the right conditions and engagement agencies are recommended in the right conditions are recommended in the right conditi extracted and consumed and world proven reserves are estimated to be about 640bn some serious environmental or 45 per cent. In many oil barrels. On this basis American constraints to their develop- fields the industry could do even geophysicist. Mr. M. King ment. Above all else, there is better. Hubbert, has demonstrated that the cost consideration. Thick, To do this companies need to the cost of consideration. Thick, apply far more exotic—and fields will reach a peak in the 1990s and will fall rapidly there after. Taking this development the conventional forms are too expensive to exploit commercially, more risky—prowhen set alongside the extraction techniques than are then of more conventional forms generally used at present with pattern, he concludes that of fuel. For example, the basic only a few exceptions, the oil children who were born in the cost of producing unconventual is produced at present children who were born in the cost of the world consumer most of its oil during the energy industry to be in result of natural reservoir prestheir lifetime: that the middle excess of \$15 a barrel—and that sures or by means of injected is without taking into account water or natural gas. The oil series needed to cover texation, that is left behind is vast in countity but it presents the interaction. duced in just 58 years, between the late 1960s and the 2020s.

This picture drawn by Mr. King Hubbert in a 1977 U.S. Congressional Research Service Report, "Project Interdependence: U.S. and World Energy Outlook Through 1990," illusconservation and alternative year was costing an average of energy development. However, it ignores the way in which this year the average should be recoverable oil reserves could be expended, given the application of new technology and the influence of rising fuel prices.

Mr. Michael Grenon. of the
International Institute for
Applied Systems Analysis, in Laxemburg, Austria last year conventional oil resources produced a report ("On Fossil should be exploited is that they Fuel Reserves and Resources") could help to relieve the presin which he showed oil product sure on Middle East supplies. tion rising from last year's level an important security factor of 22bn barrels to reach a peak considering that the Middle of about 36bn harrels around East is one of the most 1990. Unlike Mr. King Hubbert politically volatile areas in Mr. Grenon sees the possibility the world. The U.S. is of oil production being stabilised particularly placed at this point at least until the particularly placed. at this point at least until the in respect to its shale oil year 2075. In making this resources; it extremely optimistic projection, 2,200bn barrels according to BP he includes in his reckoning the The other major deposits are to vast reserves of unconventional be found in Brazil (800bn oil—shale oil, tar saids, very barrels), the USSR (115bn heavy oil—that currently lie barrels) and Zaire (100bn untouched.

Two-thirds of the tar

10 m

 $\cdots |_{\mathcal{H}_{\mathbb{F}_{2}}}$

 $e^{i\alpha}=4\pi e^{i\alpha}-\frac{\pi e}{2\pi}$

its briefing papers published last to be in Venezuela with most year, quantified these potential of the balance located in Canada resources. The company esti- and the Soviet Union. Now that mated that shale oil resources the cost of exploiting some of totalled 3,000bn to 4,000bn the heavy oil and tar sand barrels of which perhaps 6 per resources is coming more in line barrels of which perhaps 6 per cent could be considered recoverable. Tar sands and Venezuela and Canada are heavy oil accounted for another beginning to speed the develop-3 000bn to 5 000bg barrels of ment of their unconventional oil which about 10 per cent might reserves. be recovered in BP's view.

in the accompanying table. On should be able to improve that the other hand, there could be recovery factor, at least to 40 some serious environmental or 45 per cent. In many oil refining, storage, transmission and distribution costs.

Cost factor

However, the picture is \$14.50 a barrel; by the end of nearer \$18 to \$20 a barrel. If OPEC producers manage to regulate output in a way that the tightness of supplies continues, further substantial price increases will inevitably arise. One strong reason why noncould contain British Petroleum, in one of sands and heavy oil is thought with exported crude oil prices.

Rising prices and improving Even taking these modest technology also have a bearing recovery factors it is possible to on the way more conventional foresee unconventional oil oil reserves are emploited. Here from the introduction of such reserves contributing some too there is a strong possibility new technology. I estimate that

At present some 70 per cent The technology for exploiting of the oil in commercial fields

quantity but it presents the in-dustry with one of its biggest technological challenges. Some of the oil will remain un-touched for ever, isolated from the producing wells by geologience: U.S. and World Energy changing as oil prices continue cal conditions. The rest of the Outlook Through 1990," illustrates dramatically the need for U.S. refineries at the end of last that may form a film on the walls of the rock pores or it may be locked in the reservoir by droplets of water.

Gas mix

There is no ready-made key to unlock this store of oil: each reservoir is unique and the quality of oil can vary greatly, from being thinner than water on the one hand to being notional reserves that could be thicker than cold molasses on made available by the applicathicker than cold molasses on the other. To tease this oil out of the ground, production men may have to inject steam, encourage a fire in the reservoir, nump in chemicals or mix the trapped oil with a gas. Latest estimates of the U.S. Department of Energy show that the minimum price of oil required to justify the use of such methods is as follows: 1979

S per barrel Steam drive In-situ combusion 13-20 13-23.50 CO2 flooding Surfactant/polymer flooding 20-32
Again, it can be seen that at

least some of these methods are beginning to look economically feasible. It is noticeable how, in recent years, major oil companies have developed a closer liaison between their research and production teams so that they are in a better position to judge which of their mature oil fields could benefit

NEW SOURCES OF ENERGY

STATUS OF TECHNOLOGY SOURCE Theoretical Coal gas Heavy oil from sands

Coal liquids (New technology) Thermonuclean Advanced

Widespread solar electricity

at present there are some 360

production projects in non-Communist countries involving

the use of advanced technology:

a large proportion of these are

no more than pilot tests. The

extra oil that is produced in

this way probably amounts to little more than 700,000 barrels

a day; barely 1.5 per cent of total free world production.

Nevertheless, it is the potential

Shell, in a report published in March, estimated that the

tion of enhanced recovery

techniques could be as much as

400bn barrels; coincidentally,

the cumulative amount of oil

produced to date in the world.

Shell pointed out that the new

technology would not bring any significant production benefits

on a worldwide scale in the

already involved in a number

in the Schoonebeek Field in

A number of reports have in-

Holland.

which needs recognition.

Wave power

(Other than dry steam)

(Dry steam)

Bioconversion

Source: Exxon; "World Energy Outlook." April 1978

Heavy oil production Coal liquids

(Fischer-Tropsch)

Solar electricity

(remote locations)
Solar heating

Local Wind power

ENERGY PRODUCTION COSTS*

	\$ per barrei oil equivalen
Indigenous coal (U.S.)	3-5
Imported coal (NW Europe)	8-14
Indigenous coal (NW Europe)	10-15
Middle East oil	0.25-1.00
North Sea oil	7-12
Nuclear input break-even valuet	7-11
Low Btu gas from indigenous coal (U.S.)	19-25
Liquefied natural gas imports	10-23
Synthetic natural gas from indigenous coal (U.S.)	23-35
Liquids from coal (U.S.)	30-37
Liquids from imported coal (NW Europe)	30 -44
Liquids from oil sands	15-25
Liquids from shale	15-35
Biomass (crops grown for fuel) as liquid	30-60÷
Solar hot water (on site, 35 degree latitude)	50-130÷

Excluding taration, refining, storage, transmission and distribution costs. The fuel input cost required for fossil-fuelled plants to produce electrici stations. "World Energy Prospects." Oct. 1977, updated by major anergy corporations, spring 1979

next 10 to 15 years although the group and its affiliates were potential is totted up-the covered. There might be econoof projects both in the U.S. and amount of shale oil, tar sands, heavy oil and conventional oil that might eventually be exploited through advanced techdicated that, given time, it should be possible to double the nology—the picture for future oil supplies is seen to be less amount of reserves now conblack than some have painted it. Oil could continue to meet significant amount of our energy needs well into the next century and, perhaps beyond. But there is a trap here. This

sidered to be proven and recoverable in the U.S.—around 30bn barrels-by means of enhanced production techniques. Looking further afield, some company estimates have sug-gested that it might be possible hard-to-get oil will not be exploited soon enough and in big enough quantities to prevent a to add up to 800bn barrels to the amount normally considered to be recoverable worldwide within the next two decades. untional Affairs. Harrard where using more conventional tech- And there can be no assurance he is researching the potential Consequently, when all of the

mic or environmental reasons why this fuel resource will stay in the ground: perhaps the development of other alternative energy sources will make it superfluous. Yet it is still important for the potential to be recognised by energy planners; unconventional oil could form a plank in the bridge between oil-dependent energy policies and those that take advantage of non-declining sources, of power and heat.
* Ray Dafter is currently a

in overall production Fellow of the Center for Interthat even a sizeable proportion for enhancing the world's re-of this oil will ever be re-coverable oil resources.

FOOD PRICE MOVEMENTS June 14 Week ago Month ago

ı	İ	£	£	£
l	BACON .		_	_
Ī	Danish A.1 per ton	1,150	1.150	1.150
ı	British A.1 per ton	1.005	1,005	1,065
ı	Ulster A.1 per ton	1.095	1.095	1.065
l	BUTTER	-		_,,,,,
l	NZ ner 20 kg	14 09/14.37	14.37	14,11/14,04
l	English per cwt†	81.65	S1.65	81.65
ŀ	Danish salted per cwti	85.10/87.85		85.10/87.85
ı	CHEESES	_		-
l	NZ per tonne	_	_	_
ı	English cheddar trad.			
ĺ	per tonne	1,510		-
ì	EGGS*			
ı	Home produced:			
ı	Size 4	2.95/3.10	2.90/3.00	3.00/3.10
ı	Size 2			3.60/3.80
Į	ì	June 14	Week ago	
١	DEED	P	P	P
Ţ	BEEF			,
1	Scottish killed sides	at a 100 a	00 0 (05 0	EO 0 100 0
ļ	ex-KRCF		60.0/65.0	58.0/62.0
ı	Eire forequarters	42.0/44.0	40.0/42.0	35.0/38.0
Į	,	70 0 174 0		70 0 /0 / 0
١	English NZ PLs/PMs	10.0/14.0 E1 0/50 E	E1 A (E0 E	76.0/94.0
ľ	PORK	91.0/92.9	51.0/52.5	51.0/52.5
L	All weights	94.0744.0	94 0744 0	33.0/45.0
١	POULTRY	JZ.U/44.U	34.0/44.0	33.U/43.U
l	Oven-ready chickens	41.0744.0	41 0/44.0	40.0/43.0
ı	London Egg Exchai	nge brice be	r 120 eggs	† Delivered.
ĺ	t Unavailable. I For deli	very June 1	6.23	, 20
ı	1 1 tot dorr	2	·:	

National Westminster **Bank**

NatWest announces that with effect from Friday, 15th June, 1979, its Base Rate is increased from 12% to 14% per annum.

The basic Deposit and Savings Account rates will be increased from $9\frac{1}{2}\%$ to $11\frac{1}{2}\%$ per annum.

Brown Shipley

Extracts from the Annual Statement by Lord Farnham, Chairman of Brown Shipley Holdings Limited, for the year ended 31st March, 1979.

Fluctuations in financial markets again dominated our affairs and political uncertainties and depressed economic conditions have inhibited optimism and enthusiasm for expansion in the commercial community which we serve.

Interest rates rose sharply, MLR rising in staces from 61/2 per cent, in March to 10 per cent, in June with further sharp increases in November to 121: per cent, and in February 1979 to 14 per cent. With the prospects for economic growth and trading activity uncertain we must hope that the present level of 14 per cent, does not have to be maintained

Result for the Year

The profit of the Group after providing for taxation and a transfer to the inner reserves of the Bank, amounted to £1,651,153 (£1,692,993). The Directors recommend a final dividend of 0.107p. bringing the total for the year to 10,607p. This represents the maximum increase permitted at present.

It is now announced that dividend regulations will lapse in the near future and the Directors consider that an increase to a higher level would be appropriate. They intend to review this at the time of the interim statement in November. The Directors of Brown, Shipley & Co. Limited have reviewed the size of the inner reserves of the Bank and it was considered appropriate to transfer £2,000,000 to the Bank's disclosed resources. Together with retained profit and other movements this has increased the Group's disclosed capital and reserves by £3,158,688 to £18,958,221

Banking Group

In the first half year demand for credit was low and margins on available business narrowed. Earnings on the Bank's free capital improved in the second half and we were encouraged by some increase in demand for credit facilities. This was reflected in a higher level of utilisation of our acceptance facilities at the year end.

Assets held for leasing have increased from £11,472,421 to £13,883,984 and the contribution to banking profit has shown a significant improvement.

Our banking businesses in the Channel Islands made steady progress and provided useful contributions to profit. During the year we increased our holding in Trinity Bank in Dublin to 78 per cent. and we are very pleased with its

The net disclosed profit of the Banking Group after taxation was £1,252,493, a decline of 4.4 per cent.

Insurance Group

Growth in brokerage earned in the United Kingdom from both home and overseas markets failed to keep pace with costs incurred here. The low level of economic activity and the strengthening of the pound against the currencies of our major overseas earnings remain significant factors in this unsatisfactory picture. Of our direct overseas operations, that in the United States has again made an important contribution but our Australian company has still to become profitable. Our South African subsidiary has also made a significant contribution. The net result was £769,706 before taxation compared with £795,269 in 1978.

The Future

The economic outlook remains uncertain but one of the main causes of this, concern over the price and availability of oil, may itself contribute something to stability. The accelerating contribution of North Sea oil to our balance of payments should increase confidence in our currency and provide the opportunity to reduce interest rates.

The political uncertainty of the past year is now over and we hope that the new Government will be able to generate the enthusiasm in industry and trade in this country which is so important to the prosperity of both our banking and insurance businesses.

Year ended 31st March	1979 £000	1978 £000
Profit of the Banking Group after tax and transfer to inner reserve	1,252	1,310
Profit of Parent Company and Insurance Group after tax	399	383
Net profits of the Group	1,651	1,693
Dividends	587	513
Retained profit	1,064	1,180
Other net increases in disclosed reserves	2,095	1,495
Total gross assets	252,894	221,847
Shareholders' funds	18,958	15,798

The full Annual Report and Accounts and Chairman's Statement may be obtained after 22nd June from The Secretary.

Brown Shipley **Holdings Limited**

Founders Court, Lothbury, London EC2R 7HE

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Customers' deposits	•.	3.252	billions	(+ 27,23%)	over	1977)
Loans to customers		1.012	billions	(+ 8,66º/₀	over	1977)
Securities owned		1.321	billions	(+ 25,82°/a	over	1977)
Net profit	:	5.190	millions	,		
Capital reserves and risks funds		165	billions			

The net profit for the financial year made it possible to allocate 1,790 million lire as reserves, 350 million lire to charity and 3 billion lire to capital. The dividend, amounting to 25%, ts payable from May 2, 1979, at all our branches as well as at Monte dei Paschi di Siena, Credito Commerciale and Credito

Lombardo. The shareholders unanimously appointed Mr. Carlo Zini and Mr. Bruno Tassi Directors. The Board of Directors, which met after the General Meeting, appointed Mr. Carlo Zini Managing Direc-

The BOARD OF DIRECTORS is thus made up as follows:

President: Martino Bardotti Vice President: Rodolfo Brizzi -Managing Director: Carlo Zini -Directors: Paolo Barile, Giusepzo Fratoni, Giorgio Giorgi, Gior-gio Gori, Giorgio Kutufa, Gian-ni Menghetti, Ermanno Secrital pe Catturi, Siro Cocchi, Vincen-Menghetti, Ermanno Sagginel-Carlo Serafini, Giancarlo Signorini, Bruno Tassi - Secretary: Aldo Galanti.

SUPERVISORY BOARD: President: Mario Tanini - Members: Athos Rossi, Enzo Tenti, Carlo Luigi Turchi, Alberto Zanni, Elio Canaletti, Pilo Politi. The Central Management is

made up of: Central Manager: Fosco Buccianti - Deputy Central Managers: Domenico Coccioli, Ilio Piccini, Mario Vasetti.

Through the recent acquisition of the majority of Credito Commerciale's capital stock, the banking group: « MONTE DEI PASCHI DI SIENA - BANCA TOSCANA - CREDITO COMMERCIALE - CREDITO LOMBARDO » administers deposits, as of March 31, 1979, for over 16,000 billion lire. The group's own resources total 700 billion lire.

Thatcher shrills above Labour battle cries

THE BUDGETS reverberachord from Mrs. Margaret Thatcher in the Commons yesterday. Sir Geoffrey Howe's composition had not awakened quite the har-monious response that had

The TUC was booming threateningly in the back-ground; the FT Index reflected the City's semiquavers. Protests about prices ivere rising.

In the sure knowledge that the Commons critics would be waiting for her, the Prime Minister ...arrived ...well-equipped with the records of 15 Labour Budgets.

It did not take long_for the discord to start Mr. Tom Cox, Labour MP for Tooting, complained angrily about the

Disband SPG' plea to McNee

THE Metropolitan Police's Special Patrol Group came under fire from Labour MPs yesterday, only hours after Metropolitan Police Com-missioner Str David McNee had defended the elite trouble squad."

Mr. Dennis Skinner (Lab., Bolsover) said the SPG should be disbanded until there was a public inquiry into the death of Anti-Nazi League supporter Blair Peach—in the clash with police at Southall during the election campalyn. · Mr. David Winnick (Lab., Walsall N.) said Labour MPs were not satisfied by Sir David's remarks.

Commenting on a Commons written reply from Mr. William Whitelaw, Home Secretary, about the SPG's background, Mr. Winnick "Like any other Labour MP, I remain very disturbed about the role of the SPG." His concern had not been put to rest by Sir David's comments. Southall's Labour MP, Mr. Sydney Bidwell, said a police inquiry was not enough to allay public fears about the

He urged Commons leader Norman St John-Stevas to consider a Commons motion which had been signed by a group of Labour MPs calling for a public inquiry into the Southall clashes.

Rut Mr. St. John Stevas said the Government would await the outcome of the police inquiry first.

Mr. Whitelaw said In his written answer that he planned to make a statement in the Commons when he received the police report on the Southall riot and the way the police had handled it.

Death penalty vote promised

MPs will get the chance to vote on the reintroduction of the death penalty before the Commons starts its summer recess about the end of July. No date was fixed by the Leader of the House, Norman St. John-Stevas, when he made the announcement. But he promised a debate would be held before the summer adiograment.

Renewed demands to reintroduce the death penalty were made after the ACA Northern Ireland spokesman. Airey Neave, shortly before the general election.

Regional grant applications

THE FOUR months' deferment of payment of approved regional development grants will apply to all applications made after June 12. Sir Keith Joseph. the Industry Secretary, announced in a Commons writien answer last night.

He said the Department would accept as in time applications posted to the Regional Development Grant Offices on before June 12. No requests for priority treatment would

Police pay parity report

THE GOVERNMENT expects to receive a committee report on pay parity between the civil police and public authority police forces by the end of the week, Civil Service Minister of State, Paul Channon said yesterday.

In a Commons written reply to Mr. Robert McCrindle (C., Brentwood and Ongar). he said the report would receive "urgent considera-

Blood sports law rebuff

THE GOVERNMENT had no plans to legislate on blood sports, Minister of State at the Home Office, Mr. Leou Brittan told Mr. Ted Graham Edmonton) in written yesterday.

But it was pledged to bring in laws amending the Crucity to Animals Act 1876, although not in the present session, said William Whitelaw, Home Secretary.

effect of the Chancellor's measures on housing.
"Is she aware of this?" he demanded incredulously.
Mrs. Thatcher snapped that

she was aware—Did he know that his Government held the record for the highest mortgage rates? she asked. Mr. Robert Hughes (Lab. Aberdeen North) crochettiv Minister was going to meet the TUC.
"Very soon," said Mrs.
Thatcher, consulting her

notes. Would she discuss with them how she was going to handle the 2m unemployed that would result from her Government's actions by the end of the year? Mr. Hughes

And why she had been so

dishonest in keeping this

strife which disrupted the ing action.

adviser to Mr. Patrick Jonkin, to pay for it.

The professor, who is director he said that the welfare of the of the Department of Adult old, the sick and disabled Education at Keele University, depended on the ability of the

has been appointed consultant economy to produce the wealth

fessor to strengthen the advice last election about Conservative

security.

National Health Service last winter, the Government has called on the services of

Prefessor Roger Dyson, an economist and specialist in

the Social Services Secretary.

He will work initially for the

Department one day a week on industrial relations in the NHS

and in the social security sector, where industrial action

by computer staff delayed pay-

Announcing the appointment

during the continued Budget

debate in the Commons yester-

day, Mr. Jenkins said that his

Department and local health

authorities were studying very

closely the events of last winter.

he received on such matters.

He had appointed the pro-

Mr. Jenkin strongly empha-

The Secretary of State said

BY IYOR OWEN

takes place on Monday.

not intervening in industrial

disputes will not be breached if

the threatened strike by workers

on the London underground

Mr. Norman Fowler, the Mini-

ster of Transport, gave this firm assurance in the Commons

While hoping that the talks convened by ACAS, the independent arbitration and concilia-

tion service, would enable the strike to be averted, he outlined

the Government's contingency

plans, including the provision

of 8,000 extra car parking places

non-intervention policy in re-sponse to a direct challenge

from Mr. William Rodgers, the

former Labour Transport Mini ster, who stressed that a settle-

ment of the dispute had hardly

been made any easier by the

THE Parliamentary Labour Party met yesterday to select the Shadow Cabinet. Voting

ELECTED

NOT ELECTED

(153) (148) (136)

(133) (129)

(128)

(122) (112)

(110)

(98) (88)

(82) (79)

(74) (69)

(62) (60)

(57) (56)

(54) (49)

(47) (46) (45) (42)

(39) (36) (35) (33) (29) (28)

(101)

Shadow

Cabinet

chosen

Denis Realey John Silkin

Peter Shore

Stan Orme

Albert Booth

Merlyn Rees

David Owen

Roy Mason

John Smith

Eric Heffer

Neil Kinnock

Tam Dalyell

Judith Hart

Bob Hughes Jeff Rooker

Alex Lyon

Joan Evans

Fred Mulley

John Horam

Phillip Whitehead

Votes in brackets.

Alan Williams

Harold Walker

John Grant

Giles Radice

John Prescott Bruce Millan

Brynmor John

Dickson Mabon Norman Buchan

Gerald Kaufman

George Cunningham John Garrett

William Rodgers

Roy Hattersley

Mr. Fowler reaffirmed the

in central London.

ments earlier in the year.

industrial relations.

quiet during the election Again Mrs. Thatcher knew the score. The Labour Govern-ment had more than doubled country's unemployed, she declared.

She agreed with Mr. Authony Marlow (C., Northampton N.) that since less than half their members had voted Labour, trade mion leaders should not strut around the national stage as second-rate socialist politicians." Above the Labour jeers,

Mrs. Thatcher shouted that the Conservatives would do everything they could to increase "genuine" jobs. "The Budget makes a very good start," she cried. Mr. Bob Cryer (Lab. Mr. Bob Cryer (Lab., Keighley) suggested that the Budget had already made a

Jenkin appoints industrial

relations expert to NHS

IN AN effort to prevent a less the Government would not trade union leaders in the NHS

repetition of the industrial want to wait long before start- and with various interests in

The responsibilities of local

said, for giving as much

Defending Tuesday's Budget,

The Budget was crucial to the level of welfare benefits and

decline of the economy then

these services could look forward to a brighter future.

He denied Mr. Callaghan's

allegation that the Budget was

a reckless gamble. It was vitally

important, said Mr. Jenkin, that

we should have a firm monetary

policy, that we should cut public

spending and reduce Govern-

Labour of running a "squalid scare campaign" during the

plans to cut health and social

sised that the Government But in fact, the Government on basis of this policy, I really wishes to make rapid moves to Wednesday had announced the think he is living in cloud decentralise the NHS. The biggest pension increase in cucloo land." Mr. Orme said."

Royal Commission on the bistory and was maintaining "I think the forecast of 17.5

Health Service is expected to overall spending on the NHS at per cent inflation will be too report in a few weeks.

overall spending on the NHS at per cent inflation will be too the level which it inherited.

that he did not want to make for the wider use of private per cent-and that is going to

any precipitate moves before medical care, Mr. Jenkin said be a real cut in living stan-studying the report. Neverthe- he had been having talks with dards."

Government 'will not intervene'

THE GOVERNMENT's policy of Government's own forecast that made to the workers of London

"This is not a climate in

which it is easy to get a solution

to industrial disputes," he said. Mr. Fowler retorted: "This is

not a Government dispute. It is

a matter between the London

Transport executive and the mil

unions with whom they nego-

"I am sure that none of those

directly concerned would want

the Government to interfere in

the well-established machinery

for settling pay. Nor do I have any intention of doing so." The Minister proed Mr.

Rodgers to make the Onnasi-

tion's attitude clear, pointing out that the only effect of the

dispute would be to put fares

up still further-beyond the 12 per cent increase already due

17% per cent later this year.

the level which it inherited.

The Secretary of State accused

ment involvement.

stressed. There was a real case.

local autonomy as possible.

very good start too, in wrecking industrial relations with its massive price increases. And Mr. Mike Thomas (Lab., Newcastle E.) suggested that those price rises would mean that any-

one earning less than £10.000 a year would be no better off. Mrs. Thatcher's fury waxed —and she stood at the despatch box yelling lines from Mr. Denis Healey's past

performances.
The Tory Budget had reduced direct tax and left mere money in peoples' pockets to pkay the increased prices with some left over,

Mr. Tealey, in his first Budget in 1974, has increased prices by 3.75 per cent, Mrs. Thatcher recalled. On top of that, he had increased income tax by 3 per

the private sector.

managers in the NHS had to be for partnership and co-operation

health care. If we reversed the

On the Government's plans is more likely to be 19 to 20

inflation would be running at underground matched that

to take effect in September.

He recalled that the effer suspend metre charges.

busnet.

The Government was looking

in implementing its proposals.

 a consultative letter setting out the Government's general

proposals rould soon be going

out to verious bodies. He would

bring legislation before the

vices Board, which recommends

submit any more major propo-sals before January.

Tories could achieve this with

the co-operation of other parties

last Government, prophesied that the differences on health

policy between the Government

and the Opposition would become more pronounced. When the Secretary of State

asks for co-operation on the

recently agreed with the London

of the GLC that if the union's

much larger claim were agreed,

this would entail a very signifi-

cant increase in fares in addi-

tion to frose already planned,

strike did take place there was

a danger that it would not be possible to confine it to a one-

In outlining the contingency

arrangements, he explained that

the 8,000 extra car-parking places would be provided in the Royal and other London

On the advice of the Metro-

pointan Commissioner of Police.

it was not planned, at present,

to lift waiting restrictions or to

Mr. Fowler warned that if the

or cuts in services."

Mr. Jenkin hoped that the

Meanwhile the Health Ser-

cent, she shrieked over a chorus of Labour jibes. Before 1974 was out. Mr. Healey had raised the price of petrol-then gone on in the following year to increase both prices and taxes again, Mrs. hoarsely. Thatcher roared

"She's rattled," Mr. Dennis Skinner (Lab., Bolsover) observed delightedly as the Prime Minister breathlessly sat down.

Mr. James Callaghan, who until then had conducted himself unobtrusively on the Labour front bench, rose to ask politely when Mrs. Thatcher intended to stop fighting the last election. "When you stop your troops from fighting it," she shrilled, amid Labour

Scotland Act to be repealed

By Richard Evans, Lobby Editor, THE SCOTLAND ACT, which proopses devolved powers for an Edinburgh-based Scottish Assembly, is to be repealed in the House of Commons next Wednesday in spite of protests from Labour leaders. When next week's business:

was announced yesterday, Mr. Callaghan unged Ministers to postpone the vote on the Act until all-party talks on Scottish devolution had been held. But Mr. Norman St. John Stevas, Leader of the Commons, argued that there was a con-stitutional obligation to repeal the legislation following the result of the Scottish referendum in March. He regarded the proposed all-party

talks as a separate issue.

Labour leaders believed that if the devolution issue is shelved by the Government it will return as a major political problem very rapidly, particu-larly if there is high unemploy-

But this lope was immediately dashed by Mr. Stanley Orme, speaking from the Labour front bench. Mr. Orme Social Security Minister in the last Government, prophesied Scotland. The Government has a threeline whip for the vote which will ensure that the Act is

ment and a sense of neglect in

Mr. George-Younger, Scottish Secretary, and Mr. Malcolm Rifkind, Under-Secretary at the Scottish Office, will move the motion and Mr. Bruce Millan, former Scottish Secretary, and Mr. Michael Foot, who was in charge of the Labour Government's devolution proposals, will speak for the Opposition. The Government still intends

to launch all-party constitutional talks in an attempt to get agreement on Scottish devoluof when these will start. The corresponding motion on the Wales Act, which is far less controversial, because of the decisiveness of the referendum 'no" vote. is expected to be tabled before the summer

Pensions formula

THE GOVERNMENT was warned yesterday by Mr. Len Murray, the TUC general secre-tary, that the TUC could not accept the proposal that pen-sion increases should in future be based on price rises only. Speaking at the first National Pensioners Conven-tion, organised by the TUC and held in London, Mr. Murray said it was a vital part of TUC policy that a pensioners' income be tied directly to that of the working population, and that uprating should be directly linked to wages. The TUC would resist the proposal to change the present system linking pensions to earnings or price rises, whichever was higher. It was the policy of the TUC that pensioners should receive an adequate basic pension from the welfare state, and a country did not do this could not call itself civilised. As a first step he called on the Government to raise pensions for a single person to one-third of national average earnings national average earnings— that is at least £30 per week and to one half for married couples—£45 a week.

Mr. Murray accepted that these proposals would be costly

—a figure of £5bn a year had been quoted. But the problem was not whether the country could afford to raise pensions but how it was going to be done. The Government had to decide how to raise the money fairly through taxation and national

insurance.
This theme was adopted by most delegates at the conven-tion, all of whom were bitterly policy on future pension up-ratings. Some delegates went further than the TUC and demanded that a single person's pension should be one half of national average earnings and a married couple's three-quarters. Mr. Jack Jones, former general secretary of the Trans-

port and General Workers Union and now president of the TGWU retired members section, demanded that pension increases should be made every six months and rejected any excuse of administrative inconvenience. He considered it not unreasonable for pensioners to ask for this year's Christmas bonus to be increased to \$20

One-day stoppage disrupts post

MANY POST OFFICES were closed and collection and delivery services disrupted yesterday by a one-day strike by members of the Post Office Management Staffs' Associa-

The Post Office, which had warned customers not to post parcels or letters unless absolutely essential, said that the effect of the strike had

the effect of the strike nau-been patchy.

The union claimed that 92
per cent of its 18,700 mem-bers had taken action and about 75 per cent of Post-Office counters had been shut.

All counters had been closed in inner London, and about 90 per cent in outer about 90 per cent in outer London. About 45 per cent of sorting offices throughout the country had been closed also. Telegram services and shipto-shore radio also had been affected, although it was not possible to estimate the

extent. The union is claiming increases of about 25 per cent for its 5,600 telecommunicafor its 5,600 telecommunica-tions members. The Post Office has offered 9 per cent plus 3}-7 per cent for grade restructuring, and for those groups with April settlement dates a further 2½ per cent for moving to a common date of July 1. A further 31 per cent to be paid in April next year is now being offered.

The Post Office has offered the union's 13,000 postal me union's 13,000 postal members 9 per cent, plus £110 to cover disparity with telecommunications staff. The union is claiming the disparity is more like £500 to

The Post Office has imposed a 9 per cent increase on 4,000 senior salaried staff, including head postmasters, telephone area general managers, senior non-board staff responsible for specific areas of business, and other staff. Current salaries range from £6,000 to £16,000. The increase, which is backdated to January I, is the first part of an offer which also includes a 41 per cent payment to move the senior staff's settlement date from January I to July I and an offer to establish wider differentials between them and the

Boilermakers on strike at Smith's Dock

grades immediately below.

BOILERMAKERS SIXTY. employed at Smith's Dock Company on the Tees are on unofficial strike over long-standing pay differentials between themselves and other members of the Bollermakers'

Society at the yard. The company said that the trouble arose from the duel classification of members. One group, classed as "main" hollermakers, were paid £94 a week, while the other classed with the outlitting trades got £38.

group was being considered, but the 60 men had taken action before the outcome ...Work on two Polish ships and a refrigerated container ship for the Bank Line was affected.

The last strike at Smith's Dock involved 100 draughtsmen at the Haverton Hill yard

Power resumed THE TRAWSFYNYDD nuclear power station. North Wales, was returning to operation last night after 100 technicians agreed to resume normal working to permit talks on their pay grievances. The Central Electricity Generating Board estimated that replacement generating had cost more than £509,000.

Union backs 16% chemical pay package

THE Association of Scientific, of negotiations adds between Technical and Managerial Staffs 18½ and 19 per cent to the comhas recommended that 2,000 pany's wage bill for scientists, white collar workers should accept a 19 per cent pay package.

The Association of Scientific, of negotiations adds between 18½ and 19 per cent to the company's wage bill for scientists, technicians, clerical staff, supervisors, salesmen, computer staff, professional engineers and The staff are employed by the

cant pay deal to be agreed between negotiators and an employer since the Budget. The deal is seen by the union negotiators as the new minimum

some 60,000 process workers in the chemicals industry have rejected a 14 to 15 per cent pay £8,000, for a basic 361 hour They said in pay negotiations tivity bonus.

this week that industrial action Pay negotiations affecting might result if 20 per cent were 4,000 process workers in the

managers in 18 locations in Albright and Wilson chemicals Britain. company. It is the first signifibasic Basic rate increase costs are put between 141 per cent for junior grades and 15 per cent for seniors. In addition improvements in benefits, improvements

take account of price rises incorporated in the Budget as well as past inflation. past inflation. increase comes from Union leaders representing payment of 2 per cent.

offer from the Chemical Indus-tries Association. week, plus overtime premium rates and a 7 per cent produc-

company are continuing but are The Albright and Wilson not expected to be completed offer being recommended by until after settlement with the ASTMS after nearly two months employers' association

Move to ease Tube dispute's effects

BY PHILIP BASSETT AND LINA WOOD

THE GOVERNMENT announced union officials and London London, although, on police by ACAS, advice, waiting restrictions and Earlier, meter charges would not be sus- chairman of London Transport,

In outer London, some wait- the strike were bleak. relaxed where traffic movement would not be impaired. clearways on key routes between and closure of stations.

The National Union of Railplans yesterday to try to ease waymen, the train drivers the effects of a London Under union ASLEF, and the whiteground strike set for Monday as collar Transport Salaried Staffs' Association were meeting Transport met for further talks London Transport at the offices aimed at settling the dispute. of the Advisory, Conciliation Mr. Norman Fowler, Trans- and Arbitration service last port Minister, told the Commons night after the unions had that 8,000 extra car parking agreed to refer the dispute to spaces would be available in an ad hoc wages board set up

Earlier, Mr. Ralph Bennett, said that prospects of averting ing restrictions near suburban The strike would cost London British Rail stations would be Transport about £3m a week

and might result in long-term rould not be impaired. damage to services, including
The police would also operate possible reductions in services 7am and 10am and between 4pm. To meet LTs offer, worth and 7pm. Detailed advice would 10.3 per cent, Mr. Bennett said be issued at the weekend. Tube fares would have to go

be issued at the weekend. Tube fares would have to go
It was unlikely that fuel sup- up by more than 20 per cent plies for public transport would this year. A 7½ per cent in-present special difficulty, but crease will take effect on the Government would watch Sunday and a special 12½ per the position closely. Further cent rise is proposed for Sep-measures may be considered if temper.

Mr. Bennett said if LT was Mr. Fowler said later that to settle the unions claim for the Government was not party rises of 17-20 per cent it would to the dispute but it had a cost a further £20m a year, responsibility to the people who probably adding 10 per cent to lived and worked in London.

Scots miners want 60%

BY RAY PERMAN, SCOTTISH CORRESPONDENT

ers, backed by industrial action NUM. if necessary.

The demand was made unani-

ence of the National Union of Mineworkers in Dundee, which also called for a return to the old annual settlement date of November 1. If met, this would give the miners two pay not pursuing a vigorous wages ncreases this year. The proposed claim will go forward to the full national con-

ference of the union in Jersey next month, where it is likely to be considerably watered down. Although the £140 figure—a 60 per cent increase on present basic rates—has been supported by other area conferences, it is failure to reach last year's claim

Scotland is traditionally one

SCOTTISH MINERS yesterday criticism of the Government put forward a new wage claim and of Mr. Joe Gormley, the of £140 a week for face work moderate president of the

Mr. George Bolton, Scottish vice-president, said the Budget mously by the Scottish confer- had destroyed the myth that wages caused inflation. Sir Geoffrey Howe had increased inflation by half at the stroke of a

pen.
"Workers who are misled into suicide and in consequence will have employers laughing all the way to the bank," he said. Moderates in the union would

be making a serious mistake if they believed that miners would settle this year for £6 or less extra a week. Mr. Alex Timpany, from

thought by many in the union Barony Colliery, criticised lead-to be unrealistic in view of the ers of the union who were paid more than £140 a week. He said of £110. It would not command they drove "James Bond cars," support from the pits. but were content to compromise on pay claims while thousands of the most militant coalfields. of miners were desperate finan-Delegates were scathing in their cially.

Engineers' council welcomes union's bid for endorsement

BY ALAN PIKE, LABOUR CORRESPONDENT

THE Engineers and Managers clear that both ASTMS and ing war to represent professional Association remains the only TUC-affiliated union which the Council of Engineering Institutions is prepared to endorse as an appropriate organisation to represent professional employees in private industry.

However, the council says in a report published yesterday that "circumstances are chang-ing" and acknowledges that two other TUC unions — the Association of Scientific, Technical and Managerial Staffs and TASS, the white-collar section of the Amalgamated Union of Engineering Workers — are making efforts to make their organisations acceptable. ASTMS had indicated that it

was able to meet professional requirements and TASS had negotiated an agreement in the private sector which included the protection of all profes-sional obligations of chartered engineers, did not impose a closed shop and gave them an autonomous bargaining group. The report says: "It is impos the criteria laid down by CEI."
sible at this juncture to state. The EMA and TASS are at

The state of the second

TASS are anxious to be able to accommodate professional people on terms that would be fully acceptable to their chartered bodies." The two non-TUC unions

which the council says meet its criteria with the EMA are the United Kingdom Association of Professional Engineers and the Association of Management and Association of management and Professional Staffs. There are, says the report, "desirable restraints on strike action" in the EMA rule book and the union recognised the value of a code of conduct and the need for professional to ship but it. fessionals to abide by it. But while only these three

unions met the council's criteria it did not take an exclusive view. "We are ready to put any union in the same category that shows a proper regard for the special position and needs of professional people in private industry and that is so organised and so conducts its affairs as to meet the criteria laid down by CEL."

employees in the engineering and related industries. Yesterday's report from the council updates one published in 1978 in which it came out in favour of professional engineers taking up union membership. It remains the council's view that this is desirable. "There is now a growing need for professional engineers outside the armed forces to consider joining an appropriate trade union even though at the moment many of them still feel otherwise." Ideally the council would like to see one strong union for all professional people in private industry. This recommendation was welcomed yesterday by John Lyons, general secretar the EMA, who said his union very willing to help bring about and that it would "

doubtedly happen within foreseeable future." Mr. Ken Gill, general sc. of TASS, said that the second report was an ment on the first in t. any definite policy but it is present entrenched in a recruit- a suitable organisation.

Winners (above): Mr. Merlyn Rees and Mr. Denis Realey. Losers (below): Mr. Gerald Kaufman and Mr. Eric Heffer.

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MAINTENANCE

Predicting when a machine will fail

Mechanalysis, U.K. industry has spectrum analyses. yet to wake up to the electronic assessing the health of expenrotating machinery. describing the losses caused by surprise machine breakdowns as " staggering."

Apart from planning a series of seminars for senior production and engineering managers to get the message across, the company is also introducing two new equipments which "listen' to the sounds made by the moving parts. The acoustical signature of the machine can be established when it is known to be in good order, any later deviation indicating a possible

The more comprehensive of the two machines, model 840, is a vibration analyser and dynamic balancer. It has liquid crystal displays of the frequency and amplitude derived from a transducer fixed to the machine under rest, a real time octave band display which shows the amount of energy present in each of 14 octaves over the vibration band of frequencies. and an output for connection to a chart recorder.

After taking a quick look at ing detection and diagnosis. the total energy on the display. More from Bumpers Lane, the engineer can "home in" on Chester CH1 4LT (0244 374914).

THE opinion of IRD areas of interest and conduct

A simpler machine, the \$10, methods that are available for can be easily held in one hand while the transducer probe is placed in contact with the test machine using the other hand. Thus, a quick check can be carried out for vibration, unbalance or misalignment or. in another mode, the unit will detect bursts of "spike" energy given off by defective gears or bearings. The instrument has a simple meter on which displacement, velocity or acceleration can be read; weighing only 2 lbs. it has outputs for oscilloscopes, recorders and analysers.

> IRD says it has found that too many production executives still subscribe to the "breakdown maintenance method—that of precively waiting until com-plete failure, product waste or incliciency forces a shutdown. Others conscientiously dis-mantle and inspect their machines at intervals, yet this is also wasteful says the com-pany, since "it is impossible to predict what the correct intervals should be." The only answer it concludes, is continu-

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the statistics that are vital for managing your business. At the new low prices. Philips computers pay for

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Computers that

PROBLEMS

talk your

language

group of companies, has released basis, unattended. Dependent on details of a low-cost oil skimmer. the type of oil spillage, up to latest member of the Kehab 600 litres per hour of oil can be skimmer range.

Centre. Sunbury on Thames, minimum amount of free water following extensive discussions pick-up.
and trials with water authorities Weighing less than 12 kg the and industry, this skimmer has 600 is constructed from welded been designed to recover floating marine grade aluminium with

ing unit which operates from a can be operated by relatively 12-volt supply and will run for unskilled lahour. over 20 hours off a 12-volt battery before recharging.

The system works on the bridge, rotating disc and scraper prin- 43315.

was too slow, so

my accountant

advised me to

accounting problems before.

themselves time and again.

Bifurcated Engineering

VIKOMA INTERNATIONAL of ciple which will remove floating Weybridge, member of the EP oil from water on a continuous removed via a hose to a suit-Developed at the BP Research ably sited container, with the

oil on a routine basis, or from stainless steel discs. Main-accidental spillages. steel discs. Main-tenance and spares requirements Rebab 600 is a compact float- are minimal and the skimmer

Vikoma International, Crest House, 39 Thames Street, Wey-Surrey.

@ SERVICES

CDC expanding European support

communications network. Con-trol Data Corporation disclosed Two tyin London this week that its are the Call business-oriented total spending in Europe so service implemented largely far on component and structor IBM CDC Omega plugtures to set up service com- compatible equipment. to the end of next year.

This will bring the total amount invested by the company in Europe in all its forms of service, together with the training of operators and users. to well over \$350m and to over \$1bn worldwide.

Continued heavy investment on the services side has been made possible by a marked improvement in the company's One finances with profits in 1978 up 42 per cent to nearly 890m. Of this \$41.3m came from combusiness, more than puler

ANNOUNCING the connection double the 1977 income. Profit of three of its European data centres to the existing CDC fast high-level international double the 1977 income. Profit is being offered to companies than for any other sector of the company's everywhere, both as a source of international and as a means of activities.

Two types of service offered plexes, and links to them, Cybernet, using essentially CDC amounted to 835.5m with a mechinery. This last service further \$10m to be spent up contains some of the most compien engineering, simulation and other program suites.

One of these makes it possible to carry out time, resource and cost analyses with up to 8,000 activities and 12,000 relationships, something that only the very largest multinational comnanies could afford to work out with their own programming

One of the data bases mainisined by the company— holm to Tokyo underline the Tecnotec—could be described CDC strategy for progress in the best as a form of international computer business where in the round the clock "for sale and past—due partly to its brave round the clock "for sale and

gaining very fast dissemination of new product and process announcements.

The company has put in at a number of European locations some of the largest machines now available for scientific and engineering work, but at the same time it has not stinted on recruiting and training the best available analysts and computer scientists. This is a deliberate policy based on a helief that however powerful the machines. people and their brain-power will in the end dictate how well equipment is being used to serve the scientific and business

communities around the world. These moves and the existence of 39 major machines in strategic locations from Stockinnovations on the very large machine front—its fortunes have often looked bleak.

In another area, long-term planning of resources, CDC data services are helping the Dutch Government to plan two new cities—Lelystad and Almere being built on reclaimed polder land in the Zuider Zee project, close to Amsterdam. They will ultimately have a combined population of 350,000 and are being planned in such a way as not to become just another over-spill area for Amsterdam.

Probably a key element in the company's services is the communications array which makes use of 9,600 b/s channels with two satellite hops to span the world. It is returning reliability of over 99 per cent and has capacity to accept up to 4,000

Further from CDC, Control Data House, Shaftesbury Avenue, London WC2. 01-240

ENERGY **Insulation** venture

THERMOBLINDS - the high insulation internal window shutters which aroused a great deal of interest when they were reported on this page last year —now come within the product range of a new company set up by the Ready Mixed Concrete

RMC Panel Products, backed with an investment of fim, will extend manufacture of the shutters which can be produced with cores of various types of heat-retaining materials, as required, and are claimed to be many times more efficient and cost-effective than double glazing.

A second range of products comes under the name of Rhombitex. This describes a variety of wood wool slabs manufacture of which also will be extended, for two reasons.

parable with its use in advanced European countries.

RMC Panel Products. Waldorf Way, Denby Dale Road, Wakefield. 0924 62081. simultaneous users.

contractors to the oil,gas,chemical, process and Dower generation by RMC industries.

One is that their production does not demand a great deal of energy to achieve excellent insulating results. The other is that the main competition for them comes from petroleimbased products which inevitably must rise in price much more quickly than the raw materials for Rhombitex.

Engineering

New forms of this panel are under development and the company expects to see demand for it grow to a point comparable with its use in advanced

not be run for long on petrol

e POWER

On standby in desert country A FULLY developed prototype it expands into the carburettor. The set is relatively cheap

of a 25 kVA generator set that Fail-safe devices monitor both lightweight easily serviced and has been designed to work in low oil pressure and high quieter than a diesel-but could very hot climates is now ready coolant temperature.

by a derated Chrysler petrol engine adapted for liquid petroleum gas (LPG), in turn driving a Hawker Siddeley alternator, the whole completely enclosed in a glass fibre moulded acoustic cover lined with polyurethane foam. Under full load the set said to be no more noisy than a family car at idling speed.

An unusual feature is that the prime mover and alternator are not direct coupled—instead the engine is mounted somewhat above the electrical machine, with drive via a timing belt: a suitable ratio enables the engine to be run at optimum spend for fuel economy and long life.

A further advantage of mounting the engine thus is that cooling of the two elements is ing of the two elements is

separated. For the engine, a tropical graphic printing machine to be four-row Serck truck radiator is produced by Siat Packaging used in conjunction with a Systems of London, SE14. It powerful fan in a moulded cowl that concentrates the airflow over the ducted exhaust maniadbesive labels and tape at fold and out through louvres.

The engine induction air is AW152, is virtually imperspecifications for applications further cooled by the latent heat meable, it absorbs only minimal in regulator valves in natural

very hot climates is now ready for further exploitation at Keewest Developments, Totton By-pass, Southampton, Hants (04216 3160).

Known as the Rushington generator, the unit is powered by a derated Chrysler petrol engine adapted for liquid petro-

MATERIALS Panel stands weathering

COMBINATION OF water and not a separate laminate, it canweather resistant plywood not part from the plywood base. (made of tropical hardwood Developed for facias, doors, veneers bonded to withstand moisture in high-hazard exterior infill panels, for use in boats conditions) and glassfibre reinand shipbuilding and through

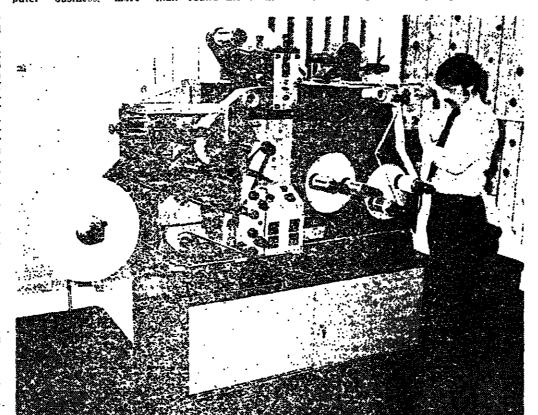
Long life gas valves

claimed to make gas valves teristics despite the high temmore durable is now available peratures created by moving from the Andre Rubber Com- gases, which can travel at close pany of Kingston By Pass, to the speed of sound. Surbiton. Surrey KT6 7LY The compound and Surrey KT6 (01-397 5272).

called compound

A RUBBER compound which is and retains its physical charac-The compound and an asso-

ciated moulding technique were developed initially to meet of evaporation of the LPG as amounts of high pressure gas gas pressure reduction systems.



PROCESSES

Oil cleaned for re-use

SOLIDS can be removed from a wide range of liquids using a new cemirifugal clarifier from Bennett Guest, 6. Vigo Street. Weybridge London W1 (61-439 7808), but a particularly important use at the moment lies in the reclaiming of cutting oil in machine

According to the company there are still many shops, some quite large, that throw their used cutting oils away in some cases incurring easts of £10.000 or taken from machine sumps. to 220,000 a year. Furthermore, The machine uses a bowl of current costs of about 50p a special shape trather like the line with all other oil products. Definett Guest's latest machine costs about £2,000 and in one recent case says the company. this sum was recovered in five

of particles without the use of filter cartridges but does not

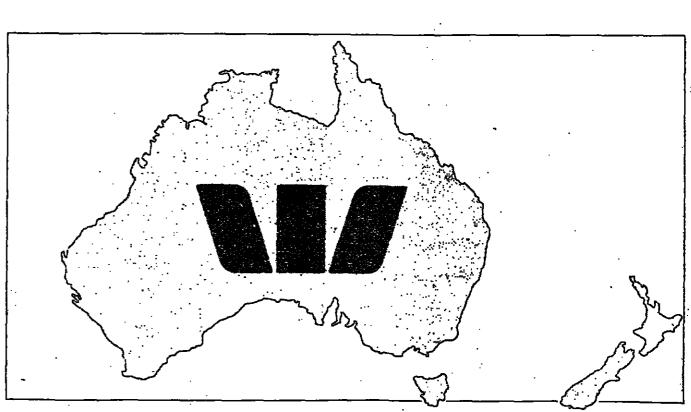
Applications are numerous. With grinding coolants for example the unit will remove sludge generated by the material being ground as well as wheel particles.

A further application is with screw machine cutting oils that have been reclaimed from chips The machine uses a bowl of

litre are likely to increase in re-entrant glass bottom of a wine bottle) which is spun at high speed to induce accelerations of over 1000G. The fluid is pummed in at the top while the sludge accumulates near to the bottom and clear oil overflows from the rim.

A This is the latest flexocan print in three colours selfspeeds up to 140 metres a This flow is completely separate minute and print from two or from that used to cool the three stereos simultaneously on alternator. a single web.

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ه كذا من الأمل

THE PROPERTY MARKET BY ANDREW TAYLOR

Auctioneers really busy again

conapse.

Leading agents such as Healey and Baker and Jones
Lang Wooton are making a concepted effort to re-enter the auctions seems from which there certed effort to re-enter the auction scene from which they have been mostly absent since sales of some £7.5m from auc-

demand for auction selling has year of 1973. mainly restricted to smaller secondary shop and resi- managing partner and responsdential properties and has not ible for auctions at Healey and spilled over into the prime Baker, says: "We are increas-

properly took place. Healey and market sellers are much more Baker, however, believe that likely to get the best possible this type of transaction could price by making competition

three auctions and a further two over private treaty deals where are planned for July, while either party can pull out of the iones Lung Wooton which had held only one auction since 1973 making it easier for back-door have had three in the past 12 gazumping.

good and that prices have generally performed better than expected and there have been cases where reserve prices have not been surpassed.

THE LAST six months has seen a resurgence of activity in the commercial property auction market with auctioneers hammers being kept busier than at any time since the property collanse.

973. tions compared with £200,000
But so far the marked lift in last year and £10.2m in the peak Mr. Paul Orchard-Lisle, a

ingly advising clients to put This is in marked contrast to property up for auction, which the boum years of the late 1960s has a number of advantages and early 1970s when regular over private treaty selling."
auctions of medium size He argues that in a buoyant

again prove attractive in a as open as possible. Also once market where too many buyers are chasing too few sellers.

In the past two months of the deal.

Mealey and Baker have held

This has obvious advantages

moarts.

Both report that demand from market, however, has changed buyers and sellers has been radically since Healey and Baker was last involved in any strength on the auction scene. And the major institutions

panies are notably secretive about their deals and would undoubtedly object to the unavoidable publicity which would surround a major auction.

Equally sellers would have to be convinced that sufficient buyers would be prepared to attend an auction and that the lottery of selling in this fashion not rebound on them-

ance there have been signs of reserve At a recent auction held by above £1m.

accept the re-emergence of Jones Lang Wooton, Marks & auctions at the top end of the Spencer paid £2.15m to acquirantee.

Institution: such as the pensative in Baker Street, while at the same auction £1.5m was paid £2.15m to acquirantee for the same auction £1.5m was paid £2.15m to acquirantee for the same auction £1.5m was paid £2.15m to acquirantee for the same auction £1.5m was paid £2.15m to acquirantee for the same auction £1.5m was paid £2.15m to acquirantee for the formal £1.5m was paid £2.15m to acquirantee for the formal £1.5m was paid £2.15m to acquirantee for the formal £1.5m was paid £2.15m to acquirantee for the formal £1.5m was paid £2.15m to acquirantee for the formal £1.5m was paid £2.15m to acquirantee for the formal £1.5m was paid £2.15m to acquirantee for the formal £2.15m to acqui to acquire a mixed office and retail development in Charing

Cross Road. Equally, Alisop reports two cases where institutions over-came their natural shyness to bid successfully at auction for two separate good class shop properties in Weston-Super-Mare and Crewe

But generally auction deals although the striking of a have tended to be small, al-reserve price does provide some though growing in number. At ushion. the first Jones Lang Wooton In spite of some sales resistance. 12 months ago, no sellers of at least some larger £100,000, while at the second units prepared to go to auction. there was no reserve price much

Commercial rent values hoom

COMMERCIAL rental value have risen in the last six months at a first half of 1979 has been faster rate than at any time since the 1973 property boom, with and November last year. the retail sector continuing to lead the way.

The picture is painted by the latest Investors Chronicle—Hillier Parker rent index which shows that the annualised rate of rent growth now stands at nearly 23 per cent compared with just 9 per cent 18 months ago and under 3 per cent in early 1977.

The index makes the point And the major institutions which now dominate property investment will be reluctant to months and when this is dis-

According to IC-Hillier Parker, rental growth in shops has continued to make the pace—with a 27 per cent annual rate achieved in the first six months, almost identical to the previous halfyearly period. Only in the south east and suburhan London have values grown faster in the last six months, with increases running at an annual rate in excess of 30 per cent in places like Brighton, Newbury and Guild-

Brent

Walker plan

BRENT WALKER'S plans to convert the former Debenham and Freebody department store in Wigmore Street, London, into a five-star 160-room hotel may be running into problems with Westminster council.

Although the leisure and property group has still to seek official planning permission, informal discussions have been held, and initial signs are none

held, and initial signs are none too hopeful

The council has already said that it is generally opposed to further new hotel development within its boundaries and is also concerned about the loss of a retail outlet.

Brent Walker agreed to pay about £3.5m for the store, and planned to spend a further £8m on development and conversion, but the deal is subject to permission granted.

IN BRIEF

Grosvenor Square Properties is to develop a £2.5m office-retail scheme in Ballards Lane, Finchley, Funding is from Royal Insurance.

· Rediffusion, the television rental and computer group, has sold its office building in Hong Kong for about £6.7m to Hutchison Properties.

Doubt over Brake on Mersey Dock deal

THE FIRST impact of the would take place until the full Government's decision to wind up the Community Land Act ment's decision to end the Community Land Act had been confirmed in this week's Budget -may be felt on Merseyside where the Mersey Dock and Harbour Company plans to develop 300 acres of derelict dockland.

It is understood that Merseyside County Council had reached a tentative agreement with the company to acquire a lease on the undeveloped South Dock

However. Sir Arthur Petertold stockholders at the com- council has also proposed to with the previous year's £4.1m, pany's annual meeting on develop a maritime museum on the company clearly appears to Wednesday that no disposal the riverfront at Canning Dock.

munity Land Act had been

Negotiations to acquire the leasehold on the undeveloped South Dock began after the County Council threatened to purchase the site under the terms of CLA.

Several developments have already been proposed for the South Dock. These include a trade centre and office complex at Canning Dock, a leisure son, Mersey Dock's chairman, centre and hypermarket. The told stockholders at the com-

whether Mersey Dock will be prepared to ratify the deal with the council now that the threat of CLA has been removed, or

look elsewhere for a better deal. Mersey Dock almost went bust in 1970. It was only rescued after a capital reconstruction involving a 60 per cent write-down of capital and the issue of large amounts of loan stock. The first interest, at 10 per cent, becomes payable on this stock from 1995.

With pre-tax losses of £1.47m last year including redundancy payments of £2.7m, compared with the previous year's £4.1m,

Investment prospects in Dublin

PROPERTY INVESTORS cast-in pre-letting within the Dublin future demand. Ing hungry eyes at the spiraling market. "There app prices for agricultural land in

Wootton reveals sharply increas-tiating for 25 per cent of the ing hungry eyes at the spiralling 300,000 sq ft of offices due to a growing shortage of prime office space—a situation which looks like continuing until at least the end of 1980.

rents for average accommoda-tion of about £5.25 a sq ft are likely to climb to £6 within the demand and the shortage of

next 12 months. The imbalance between

About 225,000 sq ft of new

Ireland would do well to spare office space is due for compleaglance at the Dublin office tion this year and by mid-summer all of this is likely to property market.

A survey of the Dublin be committed. In fact prospective tenants are already negobe completed next year.

Jones Lang says prime office

properties have slipped to 6 per est the end of 1980. cent with the increasing The survey forecasts that strength of market yields and "are poised to fall still further because of the weight of pent-up buildings for sale."

The agents, however, strike a demand and new development cautionary note about some of tinued growth has led to a significant increase the development plans to meet office market.

BEDFORD

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Newly Decorated

assumption that this new phase will bring a return to conditions where developers can find a ready market for any building they care to run up. Such a view is likely to prove as unfounded now as it was in the years prior to 1973."

In the long term Jones Lang see the continuing development of the Irish economy set against a background of large numbers of ageing office buildings and the need to provide better accommodation for both home grown and overseas workers as future bull points for the continued growth in the Dublin

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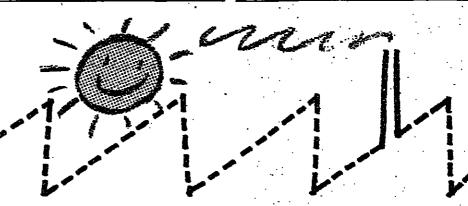
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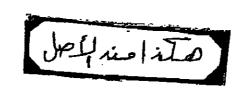
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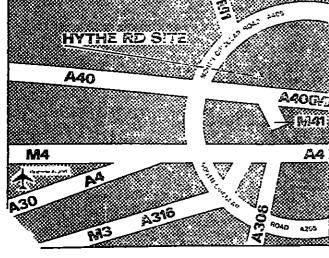
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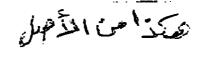
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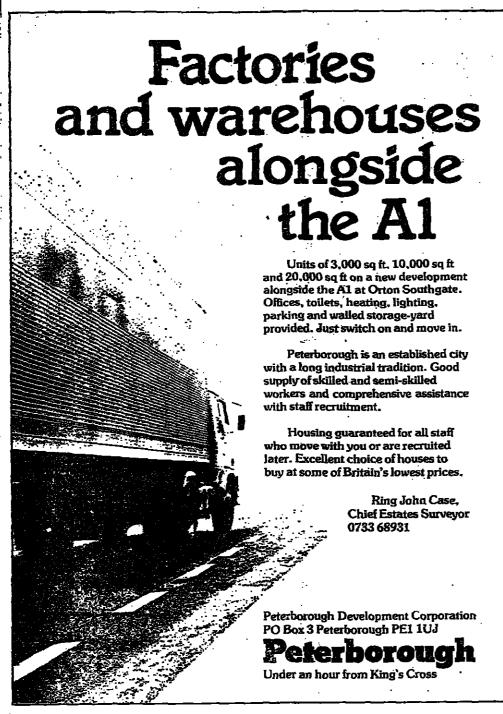
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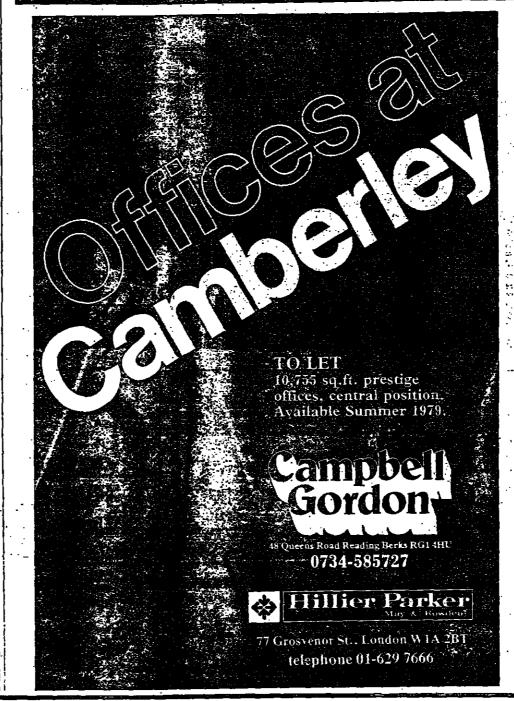
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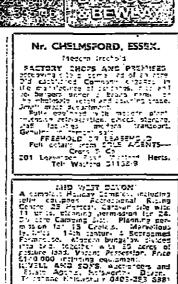
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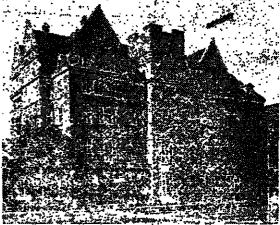
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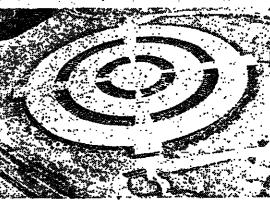
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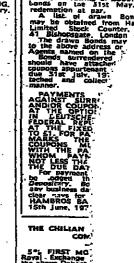
The British Bank of the Middle East

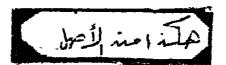
announce that their base rate for lending is being increased with effect from 15th June, 1979

To 14% per annum from 12% per annum

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FINANCIAL TIMES SURVEY

Friday June 15 1979

Pipelines

While world-wide markets for pipes and tubes offer little hope of a sizeable upturn in demand. European manufacturers are now facing fierce competition with cheaper pipe imports from new plants in developing countries. Forecasts of pipe usage by the oil and chemical industries also remain depressed, influenced, in part, by energy saving campaigns.

European market under attack

By Roy Hodson

EUROPEAN PRODUCTION of pipes and tubes is now running at between 75 per cent and 80 per cent of the available capa-city. That cannot be said to be an encouraging performance at a time when business is generally improving for steel- products increases significantly. makers after four difficult years. What is being reflected by the

sluggish sales of European-made pipes and tubes is the growth of fierce competition in inter-national markets from steel companies which have invested in new plants in the developing countries. As the steel recession fades,

many of these new producers are building up their sales for the first time. They are making their presence felt in a particularly acute form in the Euro-pean pipes and tubes market. Imports into the EEC market from the East Bloc producers

the jargon they are "first nations and to neignbouring transformation products." That European nations, means that they have not fillen within the control of the steel industry management and divert, followed by Delmine of reconstruction plans organised. Italy (half-owned by the State steel maker. Itals:der), and reconstruction plans organised by Viscount Etienne Davignon, the European Industrial Con-

Despite appeals from the European Tube Makers' Assoproducers, Davignon has not been able to bring their products into the fold.

The best they have been able to obtain is some relief from pressures from chesp imports through the bilateral agree-toer's arranged between the if trade in first transformation World-wide markets to: prove and tubes held out little hope of British Steel Corporation a circular in demand, operates as a separate county. It is World-wide markets for pipes industry remain depressed, industry saving campaigns. Neither is there much indication of growth in the usage of pipes and tubes in and constructional

engineering.

The makers do not fear a relapse into recession this year or next. But they do not hold

steelmaker, littleder), and Vallouree of France. The British Steel Corporation ranks as the fourth largest EEC pipes and tubes insker.

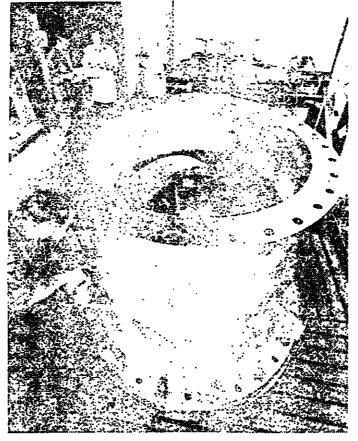
Exports

Those companies are used to emporting up to half of their production. British Steel is now experting about a third. It would like in concentrate more upon the home marks. But, then is arranged between the apple, there is a shortage of EEC and third countries selling business. The North Sea oil steel into the EEC. Under those agreements arranged by Davig absorbing big tennages and non discussions can be opened. Entitle Steel is having to sell if trade in first transformation. hard abroad to keep its position. in the pipelines markets.
The Tuoes Division of the

Forecasts of usage by the oil within the corporation. It is industry and the chemicals manufacturing at a rate of industry remain depressed, up to 960,000 tonnes of pro-influenced by the energy saving dues a year, of which some 600 000 tonnes is made at the division's main plant, Corby, in Morthemptonshire. The divi-sion clso has two works in the Midlands, three works on Tees-side, and the Clydesdole works in Scotland, plus some small of facilities.

out much hope either of a consistently higher rate of ordering of their products.

During the disastrous part of 1977-70 for ESC as a whole, when the corporation lost a



The prevof a range of low pressure searcation steam check values under construction for the powerindustry at the world of Demonred and Co., in-Eksimersdåle. Lones.

and Spain have been posing special problems, while South African-made pipe is being sold in Britain.

The difficulty facing European producers is that pipes and tubes make seriors of the steel industry, the pean producers is that pipes and tubes make as products made from steel, tradition, heavily dependent gittomismion, substant proposing a from the corporation lost a success first and tube proposing a fraction and substantian substantian and steel products.

When the corporation lost a success from solid bars and has success from solid bars and has an extensive market for casing an extensive market for casing an extensive market for tubes are also expected to steelmaking using local ore at nother Corby mill produces that works were to be ended.

It has been put to the unions of production at sectors of the steel industry, the now tacking the Tubes Division of that between 200m and 200m, into production at steelmaking tubing.

Sinciprosolide, Louis, pipes from solid bars and has an extensive market for casing an extensive market for tubes are also expected to steelmaking using local ore at tubes by electric resistance by electric resistance and 12m tonness. Unlike most supportable, British Steel in the between 200m and 200m, into production at steelmaking tubing.

Some 540m is being invested at Corby on a new electric weld. for tubes are also expected to steelmaking using local ore at Another Corby mill produces was designed prim to misca shorth. that works were to be ended. tubes by electric resistance the big pipe mill.

iron ore from its new 10,000 watretch inducing mill. British land if the corporation really tonnes a day blast furnace. The 2 Steel indiceves, that customers, wants to not into the mamp of proposal is to send semi-finished will increasinely prefer tube tax anternational market of suesteel made at Teesside down to and paper made in this way marine paperate. Corby for pipes and tubes prospectate of its high and consequences. Buttish Steel is continuing to duction. The corporation sistem quantity, believes that savings of that British Steel order are possible in spite of transportation

So far, the unions at Corby have resisted fiercely the concept of closing their from and steelmaking plant. They esti-mated that up to \$,000 jobs would be lost, either directly or indirectly.

The Corby works was developed in an area without a tradition of iron and steelmaking in order to take advantage of local deposits of ron ore. As the British Steel strategy has developed tof importing rich foreign ores to coastal steelworks), the Corby ironmaking, based upon a low quality ore, has become steadily less attractive. But even if Corby loses its

iron and steelmaking-and much argument can be expected before a decision is made—the plant is to continue as British Steel's main pipes and tubes production plant.

The plant is producing big tonnages of continuous welded ipes and square section tubes for use in construction and for gas and water applications. The

Braish Steel has been critipite 61 clsed in the past for not making and tubes maded. For the one costs submirring pipeline. Large 6 is indicating the represent quantities or pipeline had to be imported at one period during the repla expansion of the North Sea oil fields.

The emporation is still showing some ambivalence about entering the submatine pipeline market. Meanwhite, a ma-invested nearly 140m of Clydes-dale on pape finishing fredhress drawn, a procede ector con-cention of the made a heavy ms. [500], is also investigate some gain, to extend the facilities for vestinent in the enhancement. of its 44in pipe mill at making ductals gen pres-

further investment - a tack welder - to enable BSG to malic salmarine pipeline.

Decision

The factor governing the eventual decision whether or not to enter the market will be the availability of plate as the raw material for the big-inch

gas and water applications. The continuous weld plant there can make 515,000 tonnes a year, and 2m tonnes a year and 2m tonnes a year and 2m tonnes a year were shelved last year at the countries market for casing an extensive market for casing investment plants from fibra a market users instead of casing to footness and the case of the footness of the case of year to £500m a year. That mill was designed primarily to feed

snow consultable devolute in us altitudes towards the upper If is increasing the region of dielement paper of produces of Stanton Works, near Names. hand in response to demonstraspan from place for easily; voiter distribution.

Expansion

to extend to facilities for

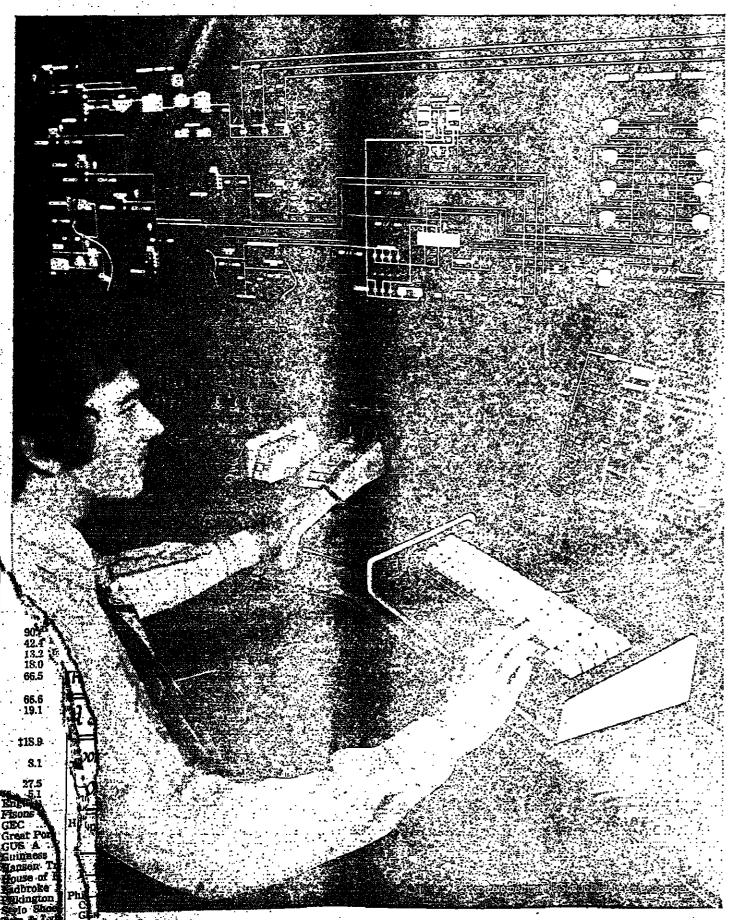
the furthered mill has now attention by Stevario and been improved to the point that Lloyds Plastics, of Harmington it would require only one small Watch is part or the RS of further investment. Plastic pipe to better given Division A new plastic page under the trade name Pesale. Is now in production there as a Chepper alternative to copper. It is made from a specialisformulated cross-linked poly-ethylene material which has abnormally good resistance to high temper, tures,

In the private sector of British pipes and tubes capacity is being mere sed by the fast growth of the Natural Gas pipeline.
British Steel's plans for a Tubes plant at Tredegar, new Teesside plate mill with a Wales. Capacity is Tubes plant at Tredegar, South imports.

But imports remain probably the big pipe mill.

One view within the corporation is that the plate could be made available from various BSC works in England and Section 16 EEO consumption.

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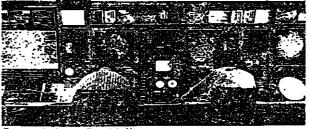
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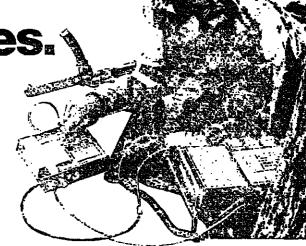
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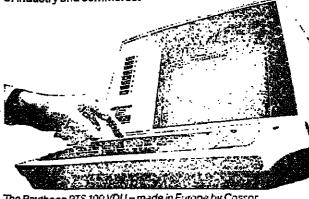


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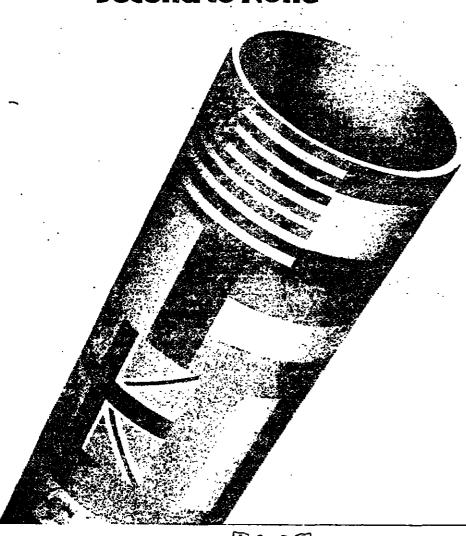
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UK producers meet changing demands

Steel Corporation's major investment in facilities to produce the building and engineering industries, to the increasing use of plastics in an ever-widening range of products.

At the same time there have been startling innovations in offshore technology, where ICI has played a major part in providing polyethylene coating for pipelines, a technique perfected at an opportune time in view of the vast number of pipeline projects under way all

Looking first at British
Steel activities, heavy investment is in train at Corby to
take advantage of technical
advances in the production of welded steel tubes

The new plant will have an annual capacity of about 250,000 tonnes of rectangular and round structural hollow sections and other round tube categories. Together with an existing plant it will have a total capacity of

ing from strip, and welding into tube by a high-frequency induc-tion welding process. The thickness range from the new plant enables round tubes up to 12.7mm to be produced. BSC's tubes division has also

equipment for seamless pipes, with a recent sale of such systems to Japan. The on-line system was developed at the BSC's Corby research centre and used at the Clydesdale works in Scotland.

involved a number of novel polished samples of solids such companies, a special grade of

Another development at the Stanton and Staveley Works, costing £18m, will put the corporation at a technical advantage in the production of large-diameter ductile spun pipes ranging from 900mm to 1500mm and up to eight metres iong. It will be capable of making 55,000 tonnes of pipe annually.

It will include in-line coating and cement mortar lining, with the finishing and coating line controlled, by computer. Mecha-nical handling will be employed throughout and the finished pipes will be delivered automatically to the pipe stock-

Molten metal for the plant will come from the adjacent central melting plant via a new electric furnace of 100 tonnes capacity which will also act as a reservoir to improve the metal supply at Stanton to other consuming upits.

In response to increasing demand from customers for high-quality carbon and alloy tube for power generation, the rinished sizes will be produced by hot-stretch reducing
from a basic hollow, made on
the primary mill by cold forming from strip, and welding wide quality requirements

Among the many new techniques BSC is employing to

improve product quality, are new practices adopted at Corby to improve the standard of steel cleanliness in the electric furnace. To monitor the success managed to gain additional of various techniques, a new profit out of ultrasonic testing instrument, the Cambridge Inbeen installed. It is designed to make rapid automatic measurements of the dimensions of features in samples that can be viewed by microscope.

orks in Scotland.

The microscope uses reflected. Tollcross laboratory.

The test head on the system or transmitted light so that both. In conjunction with the oil

central heating installations, in that market, although its through Stewarts and Lloyds booming sales of polyethylene Plastics of Huntingdon, part of coatings for pipelines is a world Plastics of Huntingdon, part of the tubes division. Only by the use of cross-linked polyethylene (two kinds combined) was the company able to produce pipe which would stand up to the

The new pipe, marketed under the name Pesalex is the result of 10 years' research and is suitable for constant working at doing increasing business with 95 deg. C and intermittent projects in India and coating in

temperatures of 125 deg. C.
Stewarts and Lloyds also
manufactures the largest
diameter polyethylene pipe
made in Britain, which is being used to line gas mains which have seen long service. Nearly 3,000 metres of 400mm and 500mm pipe has been fed into existing mains in three different parts of the country.

Confident

This has extended the life of the mains at minimum cost and avoided extensive excavation of old pipe, and the company is confident that the technique will be widely used in future. In the North Sea market, where BSC has been criticised for not producing submarine pipeline, the corporation has made up in the supply of tubular products, claiming to be ahead of all the others put

products supplied. Casing to line the wells is produced at the Clydesdale works in Scotland, while tubing struments image analyser, has to bring the oil or gas to the surface is produced at Corby. Development work, to improve products and produce new ones to meet the special needs of the oil market, is carried out at the

together in terms of value of

the cost of raw materials continually alter prospects for new developments across the vast range of pipes, pipelines and related equipment. British manufacturers are providing a flow of new ideas and products.

These range from the Resistance of the cost of raw materials continually alter prospects for new ideas and products.

These range from the Resistance of the cost of raw materials continually alter prospects for new ideas for which BSC has world as iron, steel and coke, and high yield strength pipe has dispersed samples such as dust, been developed which can be examined.

BSC has also been active in the development of plastic pipe.

Sea have hear the cost of raw materials continually alter prospects for new ideas for which BSC has world dispersed samples such as dust, been developed which can be examined.

BSC has also been active in the development of plastic pipe.

Sea have hear the cost of raw materials continually alter prospects for new ideas for which BSC has also been active in the development of plastic pipe.

Sea have hear the cost of raw materials continually alter prospects for new ideas and fibres can be examined.

BSC has also been active in the development of plastic pipe.

Sea have hear the cost of raw materials continually alter prospects for new ideas and fibres can be examined.

Sea have hear the cost of
wide phenomenon. One of Europe's biggest pipe coating companies, Key and Kramer of Maassluis, Holland density polyethylene coatings for both offshore and onshore use. Similar reports come from Australia where Steel Mains is

While bitumen and coal tar coatings have long been used. the ICI method of providing Alkathene powder which is then turned into polyethylene and coated on to the pipes, is regarded as an important innovation at a time when there is

increasing emphasis on prevent-ing corrosion and damage. Key and Kramer says that despite a cost premium for this type of coating, demand is rising steadily. In 1977 only 15 per cent of throughput was polyethylene coated, but this rose to 30 per cent last year.

The system is expected to be

widely used in a range of European land pipelines now under construction or planned and will also be used in conjunction with a concrete layer underneath on the Italy-Algeria undersea gas pipeline. Steel Mains of Australia has recently coated 33 kilometres of

114 mm diameter submarine pipe for Esso, shortly to be laid in the Bass Strait. The line is to carry natural gas from the Marlin Field to operate turbines on offshore platforms. With little worldwide competition, ICI is in the fortunate position of being one of the few

suppliers for a growing world market, although developing the product and marketing it have not been easy tasks. As with other new technology related to pipes and pipelines,

it had first to be proved in a very exacting market before demand really took off. While it is essential for the industry as a whole to maintain R and D much depends on having the right product at the right time. Plastic Coatings of Guildford

also reports considerable success with its Duraguard fusionbonded epoxy pipe coating process, particularly in its work for British Gas and in the North DESPITE WISHFUL thinking were reported to be increasing clearly been based on its ability. Sea. Materials for the process

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Market shows few signs of growth

about UK market prospects, at the rate of between 7 and 10 to supply a UK produced alterboth pipe manufacturers and stockholders are generally agreed that there has been no recent improvement in demand; development now reduced to products.

Sea. Materials for the process to supply a UK produced alternative to imports, giving buyers national Paints and 3M of the United States, and the company expects its coating operations to double in volume in a year

level of 1974. Foreign com-petitors appear to have maintained some of the inroads made at that time when domestic suppliers were unable

According to stockholders one of the main reasons for the continued recession is the lack of orders from the oil industry which as a result of conditions in the world oil market has delayed investment plans for refineries and related plants.
It is thought that until the UK formulates a more definitive

energy policy, particularly relating to the use of North Sea oil resources, pipe demand in this sector will remain poor, with continued under-utilisation of existing refinery capacity.

Prices have remained extremely competitive and there

has been some undercutting by European competitors, with Austria, Belgium and Italy providing products at well below average market prices.

It is felt that while the British Steel Cornoration (BSC)

has chosen to abide by the provisions of the Davignon plan on prices, other European steel producers have not, allowing Continental pipe and tube manufacturers a competitive margin on their raw materials which they have passed on to UK customers. In addition to this attraction,

many buyers feel that as a matter of prudence they ought to maintain more than one source of supply (usually BSC which holds 70-80 per cent of the UK market) as a means of retaining a bargaining position on both price and quality.

Export prospects for the UK are similarly bleak, with much of Europe suffering from the same energy-related problems. The comparatively recent strengthening of sterling has not helped, forcing exporters either to cut margins or risk losing price competitiveness. The heating and ventilating

and construction side of the tube and pipe market remains flat, with little change in the past year, and hopes for in-

creased demand from the petro-chemical industry for stainless steel products have so far been in vain.

Nevertheless, demand in this sector has been considerably better than average and al-though it remains small in com-

nor do they see any significant little more than a trickle, BSC change in the near future. and other manufacturers now The market remains very have few markets of real lows its increasing use in the slack, with demand still around promise, given that expert U.S. to replace sections and 40 per cent below the volume markets other than in Western conventional tubes. It is level of 1974. Foreign com-Europe are providing little encouragement.

But this somewhat discouraging outlook has not prevented one of the more enterprising newcomers to the field, Natural Gas Tubes (NGT), from going ahead with plans for a major expansion of its plant at Tredever in South Weles. gar in South Wales.

Production

This will almost double production from around 18,000 tonnes a year to 35,000 tonnes and the development will in-clude a new £1m pipe welding mill due to come on stream at the end of this year.

Despite the fact that the company is in direct competition

with BSC, and indeed provoked a protest from members of the Iron and Steel Trades Union Conference at BSC's Corby plant when the expansion was announced, it remains an increasingly large BSC customer, buying sheet steel for tube

The existing mill at Tredegar was set up with considerable financial aid from the Deparment of Industry and the European Coal and Steel Community, and help from BSC, and has played an important role in employing steel workers in a depressed area.
The success of the company,

founded by an Indian business-man, Mr. Swraj Paul, has been based on its ability to select a relatively small market area and concentrate on it. It has so far concentrated on the range from 60.3mm to 168.3mm gas and water pipes and square and rectangular hollow sections in the same range.
Under the development plan

this range will be extended downwards to 15mm, and it is envisaged that by doing this the company can capture an impor-tant share of the market held mainly by imported products.

Output from the new mill which was envisaged as a neces operation from its inception, is expected to be around 6,000 tonies in the first year, rising along the restriction. slowly thereafter.

It is clear that when the

market finally does begin to improve NGT will be in a posiproducts and have spare capa-city to meet considerable

parison with the overall market, demand.
special product sales last year. Much of the NGT's success has

The company's decision to or so. make hollow section tubing fol-

in machinery construction, materials handling and framework for vehicles. Although the company is pro-

ducing a range of products which is small in tonnage terms (despite 100,000-tonnes-a-year capacity) it does not compare badly with British Steel's output of around 850,000 tonnes a year. considering the short time it has been in operation.

By keeping overheads down to a minimum, allowing flexi-bility in volume of output, NGT has proved that there is not only room for the existing private sector companies but for newcomers as well.

Lorne Barling

The Brent pipeline system is one of the great feats of underwater engineering in the history of offshore oil opera-

On the Brent complex of pipelines, operated by Shell-Esso, Comex performed no fewer than 25 pipeline tie-ins and three pipeline repairs.

The advanced hyperbanc welding techniques and sophis-

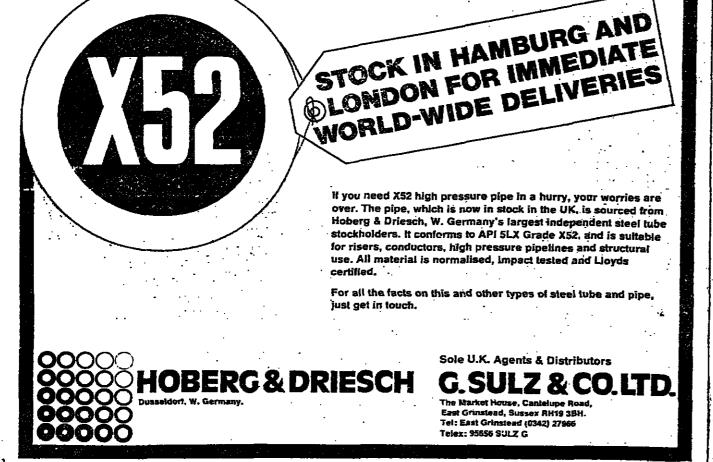
ticated underwater engineering technology – pioneered and executed by Cornex – were vital in bringing Brent oil ashore.

Vessels deployed by Comex and its joint venture partners in this unique operation included the dynamically positioned semi-submersible Uncle John': the dynamically positioned construction vessel Talisman': the construction barge 'Sandokan'; and the construction vessel 'Oregis'.



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مكذامن الأجل



New applications for plastic materials

AFTER A longish period of of the restrictions which would up of the European market, sug-optimism about the price com- hinder further growth. gests that manufacturers are

Some projections which were made as recently as March this France, with the UK recording year at the Brighton plastic pipes conference have been It is estimated that the buildthrown out of step with reality, ing and construction industries

the 1973-74 oil crisis from a is on economic or political infall in the real cost of raw fluences on building materials, allowing them to Principal applic materials, allowing them to Principal applications are make considerable inroads into for water mains, rainwater and

In conjunction with technical developments, plastic pipe sales increasing market penetration, have developed strongly in particularly for cast iron domestic uses, gas distribution replacement systems, water distribution, in-

a year. Nearly 30,000 km of MDPE in diameters ranging now been installed, providing duced in larger diameters. improved resistance to corrosion and reducing joint leakage

Active

British Gas has also been active in the larger diameter range, fitting both high and medium density PE pipe up to 500 mm in diameter inside iron mains which would otherwise have had to be completely

The proportion of replacement pipes now in plastic has risen to around 80 per cent, while around 85 per cent of service pipes - those actually carrying gas to houses or other premises—is around 85 per per cent.

There is little doubt that the trend in this direction will remain strong, as it has in European countries and the U.S., and that inevitable price increases will not have any great impact on demand for pipe of this kind.

Plastic pipe has also pene trated almost every other area of domestic use with such applications as underground drainage, rainwater systems, soil and vent pipes and many others, but in a few remaining applications there has been much hesitation

and cold water distribution and the most demanding of all uses, central heating. Considerable progress has been made recently in developing materials which will withstand the rigours of high temperatures, but because of doubts about the life of the product it may be some time before it is widely accepted.

Despite the generally bright outlook for plastic pipes, Mr. P. F. McNally of Phillips Petroleum Chemicals warned at the Brighton conference in March that manufacturers could not expect the very rapid rates of growth achieved in the post to continue for ever. He pointed out that while there were advantages in plastics such as easier handling, transportation and simpler jointing, resistance to chemicals and normal stresses, there were

some notable disadvantages. These included poor weathering resistance, a tendency towards brittle fractures under adverse conditions and the basic possible for producers and consoft nature of thermoplastics in sumers to co-operate to some general. These limitations un-less resolved by the introduction consequences of a supplyof new techniques, could be one demand imbalance.

petitiveness of plastic pipes in UK and other markets, the recent oil price increases and the manufacture of rigid pipe and fittings has grown by an average market have altered the picture of 12.7 per cent a year, with by far the strongest growth of

but as with previous raw directly or indirectly use more materials crises, this is likely to delay rather than change the course of development.

In effect plastic pipe manufacturers have benefited since how dependent the pipe industry the 1972 for the state of the previous raw of the provinces of publical in the pipe industry and the pipe industry the pipe industry the pipe industry and the pipe industry the pipe industries the pipe in

markets where labour and other costs were more important.

In conjunction with technical market areas, thanks mainly to

dustrial installations and other prisingly, makes up a much areas. In the UK British Gas is thermoplastics pipe market replacing gas pipes with than PVC. The application medium density polyethylene (MDPE) at the rate of 2,500 km fragmented than that of PVC. but probably has more potential because of extrusion facilities which enable HDPE to be pro-

> West Germany, it is pointed out, has become the dominant thermoplastics pipe and fittings producer. accounting for a quarter of the total produced in Western Europe. A major factor in this growth has been the use of PVC in the water supply network, where some 60 per cent of installations are in plastics materials. PVC has been used in the UK national water supply network since 1958 and in Holland some 85 per cent of the total plastics pipe in the potable water net-

Mr. McNally, in his summing tests carried out since 1974, and

gests that manufacturers are unlikely to see the spectacular growth of the 1970-73 period re peated. Since then, he says, the growth rate has been drastically reduced by several major factors.

demand as saturation point is neared, substantial price ina general malaise in the omies of Western European countries. Public purchasing authorities have been restrained from spending excessively, while both the public and private building sectors have suffered a long period of recession in most countries, causing a serious slackening in demand for pipe-

Influence

A final recessionary influence is seen in the general decline in the export market within Europe, where formerly deficient countries have built up their own domestic production capacity and themselves entered

the export market. Promising areas for future sales are seen as solar energy systems, involving the use of plasticised PVC, low density polyethylene and polypropylene pipework, and hot and cold plumbing which would generate sales of approximately 12-8 kg of pipework per household.

In the context of future demand for large diameter pipe, new developments in pipeline transportation by hydraulics or pneumatics also look good. Considerable research and development is now taking place to develop pressurised slurry lines for coal transport, iron ore, clay and limestone.

The advantages of cross-linked polyethylene in domestic water systems have been established in

50 years at the low end of the temperature range, but only four years at the top end.

New materials are continually being developed, however, and it is likely that this performance will be considerably improved on, as will have to be the case if it is to be marketed success

The advantages of the produc are considerable, in that cor rosion resistance is far superior to present systems, maintenance costs are lower, it is more flexible and weighs less and is likely to remain very competitive in price.

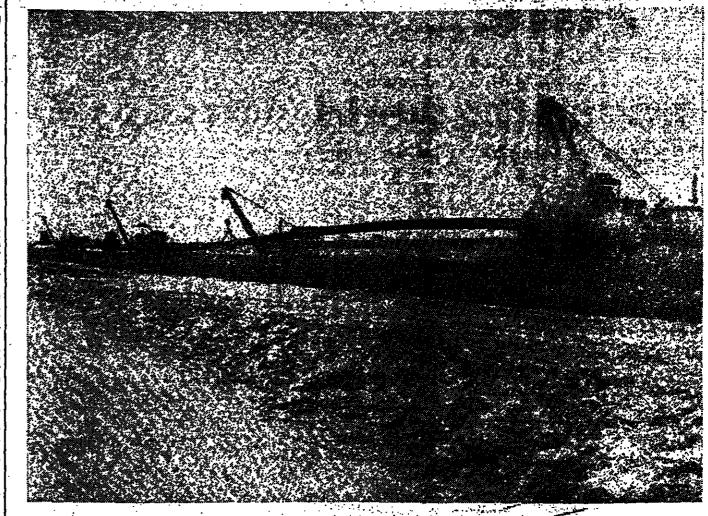
Many of these benefits apply

equally to the use of plastic pipes in industry and their range of application is increasingly But even closer attention must be paid in this area to load parameters of pressure, tempera ture and service life.

Pipework constructed in glassfibre composites is used in many process industries. These have shown their highest potential in the chemical industry where they have performed well in terms of structural reliance and

resistance to chemicals.
In the U.S. the power industry is seen as an important growth area for GRP pipework, due mainly to its life cycle and performance. In this area corrosion resistance is of prime impor-tance and apart from meeting this requirement, GRP also pro vides maintenance-free service and a greater flow rate.

Overall, demand for plastic pipe is likely to suffer a tem porary setback as a result of increasing raw material costs, but since these costs will eventually and less directly affect the cost of competing pro-ducts because of higher energy prices, the long-term prospects for plastics are unlikely to change significantly.



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USSR plans major

chemical pipeline

ONE OF the world's biggest kind of ethylene grid which the

frequently carried by pipeline schaft-ARG-line. rather than by road, rail or ship. The reason is that it is bulkythe annual capacity of a modern

An ethylene pipeline grid also makes sense in terms of the market place. Supply and demand are rarely balanced—as the chemical industry is uncom-

Iranian revolution and the oil crisis that has come in its wake. But an ethylene grid makes it

chemical pipeline projects now ethylene grid system is that being undertaken is in the USSR producers can help each other where attempts are being made when one of them has a plant in Wales and the Esso to lay the foundations of the failure. In Europe, for example, chemicals plants at Fawley in kind of ethylene grid which the a company facing a temporary European industry already shutdown for technical reasons Ethylene - a major raw another producer and pipe it to material for the production of consuming plants via the plastics—is the chemical most Aethylen Robrieitungs Gesell-

The ARG company was set up jointly by Veba Chemie, Huls, BP, Bayer, Erdolchemie ethylene plant tends to be in and DSM. Its ethylene pipeline the region of 500,000 tonnes— runs from Marl, in Germany, while at the same time safety down to Cologue and then the region of 500,000 tonnes— runs from Marl, in Germany, while at the same time safety down to Cologue and then considerations would make its across Belgium, via Tessenderio transportation by road or rail to Antwerp. It links in with both undesirable and wildly other lines so that the entire grid reaches up to Moerdijk and Rotterdam and down to Frankfurt and Ludwigshaven.

There is another ethylene line in Southern France and there are also a number of fortably aware.

At present, a long period of in the North which is perhaps weak demand has given way to tight supply and rocketing prices caused largely by the Lonian revolution and the oil the supply and the oil the supply are supply the continental grid although this

would be technically feasible.

The UK pipeline system connects the huge chemicals complex at Wilton on Teesside with Grangemouth in Scotland, with the Shell plants at Carrington and with Runcorn in Cheshire. The only major chemical sites

Another advantage of an not connected to the British pipeline system are the BP Chemicals plants at Bagian Bay

> Ethylene is not the only chemical carried by pipeline though it is by far the most important one. Ammonia, used in the making of fertiliser, is also piped—sometimes; over great distances. The U.S. has an ammonia line that goes from the Gulf of Mexico up to the combelt and in the USSR an ammonia line is being built from Odessa on the Black Sea to Togliatti on the River Volga.

At major chemical sites pipe-lines are also used to carry a raw material chemical from the plant where it is produced to a consuming plant next door. At Wilton, for example, it is possible to see groups of pipelines, sometimes four or five of them, all carrying different chemicals. But they only cover very short distances.

Length

There are some slightly longer propylene pipelines and the idea of setting up a European propylene pipeline grid, similar to the present ethylene grid, has been mooted. But in the main propylene—used in the produc-tion of plastics—is consumed on the sites where it is produced. And when it does have to be carried over a long distance it is moved by rail tank car because unlike ethylene, it does not have to be refrigerated.

The main argument against carrying chemicals by pipeline is the cost of construction. Ethylene pipelines are usually between 8 ins and 12 ins in diameter and it is estimated that they cost something in the region of £10,000 per mile per inch of dlameter. A 10 ins line could therefore be expected to cost around £100,000 a mile.

The pipelines are normally made of steel and they do not require any special protective.

require any special protective coating inside because ethylene—which goes through the line as a heavy gas—is non-corrosive.
The lines are usually laid four
or five feet below ground level. In Britain, every effort is made to ensure that ethylene pipelines run under good farm-land because there is then less chance of their being damaged by excavation. If there should be a leak—ethylene is a heavy gas and therefore does not diserse easily—there is also less perse easily—inere is also less chance of people being hurr if the line is on agricultural land.

The most common cause of accidents involving ethylene pipelines is people digging down—unaware of the existence of a line—and stylking and down—unaware of the existence of a line—and striking and damaging the pipework. In the UK, therefore, all chemica pipelines have to be clear marked on the surface. As I

CONTINUED ON NEXT PAGE

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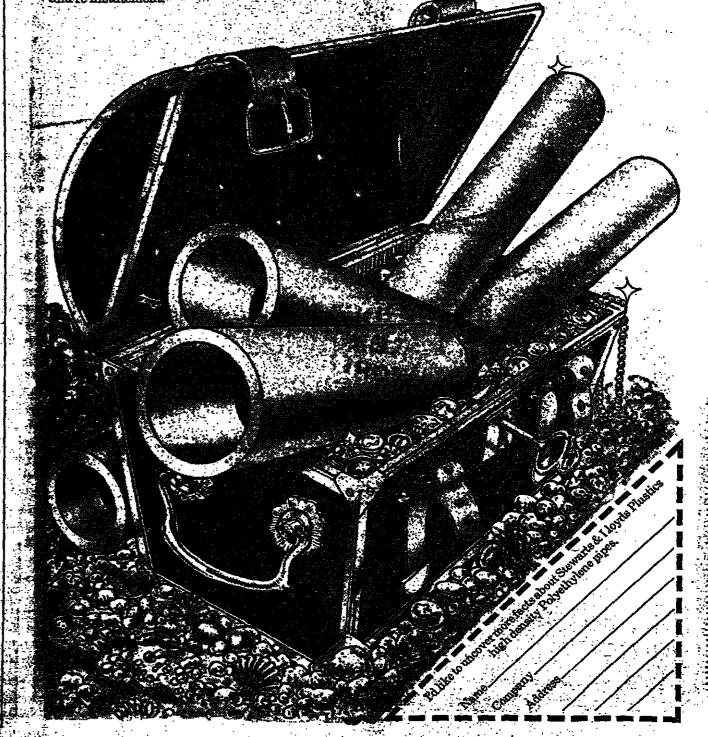
New sophisticated extrusion plant at Huntingdon produces sizes up to 500mm (20"), with plans to extend the range further. Larger sizes

Sizes up to 500mm (20") H.D.P.E. have been STEWARTS & LLOYDS PLASTICS used for re-lining ageing metal gas mains in several St. Peter's Road, Huntingdon, Cambs. regions of British Cas, thus minimising excavation. PE18 7DJ. Telephone: 0480 52121.

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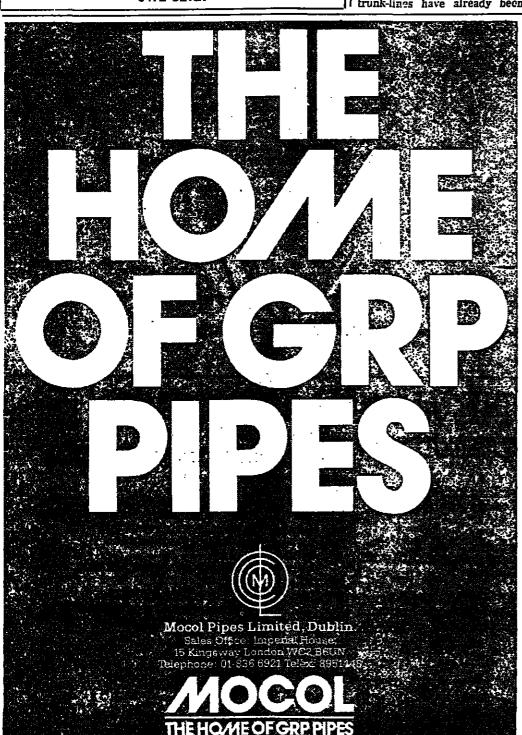
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Links with offshore systems

FOR MUCH of the 1970s the North Sea has provided the most important area for new pipeline work in the whole of Europe. All the major fields in the UK sector of the North Sea are now linked to the shore by pipeline, however, and the Government is turning its attention to ensuring that as many as possible of the new generation of smaller fields are also linked into the officers also linked into the offshore pipeline system.

Several of the more recent fields to be considered for development are not large enough alone to justify a pipe-line link to the coast. But operators are being encouraged by the Department of Energy to consider the construction of links to the major existing oil

Pipelines are already in place to serve the most prolific North Sea finds. Oil has been flowing through the 111-mile pipeline from British Petroleum's Forties Field since 1975 to Cruden Bay to the north of Aberdeen, and a year later the 124-mile line from the Occidental Group's Piper Field to the Orkney Islands was com-

The most complex system of pipelines in the North Sea, however, is still being developed to serve the group of major oil discoveries made in the East Shetlands basin. Two major trunk-lings have already been

built, to join the Brent and Ninian systems to the Sullom Yoe oil terminal in the Shetland Islands, and the first crude oil began to flow to the islands in the late autumn, last year.

Eventually, the Sullom Voe terminal will be handling up to 1.4m barrels of crude oil a day. equivalent to more than two-thirds of the UK's current crude oil consumption. It is already receiving crude from the Ninian Field, the third largest oil dis-covery in the UK sector of the North Sea, and later this year oil will begin to flow to Sullom Voe from the Brent Field, the biggest UK oil discovery.

The existence of the two large 36 ins diameter pipelines, the Brent and Ninian systems, has already meant that several small fields have been tied into pipelines, when considered in isolation they would have been hopelessly uneconomic.

The main Brent system trunkline actually connects the Shell/ Esso Cormorant Field to Sullom Voe, through a 93-mile pipeline. The Cormorant platform is the main pump station for the system and is the receiving point for oil from a number of other fields. The first of the East Shetland fields to come into production was the Thistle Field, operated by the British National Oil Corporation, which came on stream about 12 months ago.

through a mooring buoy approved for development by could anchored to the seabed. By the late autumn, however, the Phistle Field and Shell/Esso's

The Ninian trunk-line to line. Dunlin Field had been tied into Sallom Voe is likely to be the Cormorant platform and oil handling a smaller throughput began to flow direct to the in the 1980s. It was first brought Shetland Islands. The Thistle into use in the autumn for the Field will have the flexibility small Heather Field, but at the of falling back on its offshore

found to have been so badly damaged that it had to be removed and towed to Holland for emergency repairs. The repair work is likely to cost £3m to £5m but the partners in the field have decided to go ahead with the job as an insurance against possible interruption to production through the pipeline.

Some minor damage has already been discovered in the line which links the Thistle platform to the Dunlin Field. is not serious enough to stop production, but there appears to be a minor obstruction in the line, that could have been caused either by a slight buckle or dent. If, at a later stage, a section of the pipeline has to be cut out and replaced, it should be possible to maintain crude output through the offshore loading buoy.

Progress

The Brent System is already taking crude from the Thistle and Dunlin Fields and later this year production should also begin by pipeline from the Brent and Cormorant Fields.

end of December production loading system, should problems also began from the Ninian loading, and the over-riding

develop either with the pipe-line or at the terminal to have an output by 1931 of The flexibility worked in reverse earlier this year, when the offshore loading buoy was the offshore loading buoy was by British Petroleum's Magnus by British Petroleum's Magnus Field, the most northerly discovery in the UK sector of the North Sea, which is expected to start production in

> Work on the Magnus pipeline will begin next year with the pipe being rolled and coated for protection. It should be laid during 1981 and completed in

For fields under development further south in the North Sea, the obvious systems with which to connect are the Piper or Forties pipelines.

Texaco, which is well-advanced with the development of its Tartan Field—the 17,000-tonnes steel platform jacket proposedular in proposedular in the proposedul was successfully installed in 505 ft of water earlier this month—has reached agreement in principle with the Occidental group to use its Piper/Claymore crude pipeline to link Tartan with the Orkney Islands. The deal has involved the construction of a 17-mile feeder pipeline from the Tartan field to the

Claymore platform. The Government, however, faces something of a dilemma developed with a pipeline. It is Next year, the first production also keen to promote a steady should flow from the Murchison flow of orders for the UK off-In the early months of production, the crude oil was loaded offshore into tankers commorant Field, which was gested that field developments through a mooring buoy approved for development by could be held up for many could be held up for many months or even postponed if the Government insists on a pipe-

> Phillips Petroleum's Maureen Field is an obvious example of this dilemma. Earlier this year, the Government reluctantly | allowed this development to go ahead with a system of offshore

Overseas, a major onshore crude oil pipeline project has recently been abandoned in the U.S. by BP subsidiary. Sohio. The scheme to build a line from California to the mid-West to handle Alaskan crude oil has

handle Alaskan crude oil has been under consideration for more than five years.

Sohio has been pushing the scheme vigorously, and recently received support from the Federal Government for the project. But it has run into insurmountable environmental tion of a 747-mile crude oil pipeline across the Arabian pensuals from Abqaiq; in the east on the Gulf to Yanbu, in the west, on the Red Sea. It is scheduled for completion in 1981.

Kevin Done

consideration appeared to be the need to attract more work for the platform building industry in Scotland.

opposition and last month Sohio finally decided that the economics of the project were now "marginal, at best" and that the whole sc abandoned. scheme should

However, in Saudi Arabia, an even larger project is under way, involving the construc-tion of a 747-mile crude oil

: and pumping

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Key questions on gas production

THE REPERCUSSIONS of the revolution in Iran and the. dramatic reduction in that country's crude oil production have been seen in every national economy in the world. Rather less obvious, however, has been the potential effect of the turmoil in Iran on the international gas industry.

For nearly 10 years Iran has been busily engaged in finding export markets for its associoutlets were to have been two massive pipelines to the USSR, the second involving a complex and imaginative swap deal, in which gas from Iran would be transmitted into southern Russia, and in return the Russians would export gas to Western Europe.

Deliveries of gas through the Iranians' first international gas trunkline, Igat-1, began to build up in the early 1970s to the target of 900m cubic ft a day. During the early part of this year the sudden drop in Iran's crude oil production-exports ceased entirely for 10 weeks from the end of Decembermeant that the transmission of gas to the Soviet Union was also temporarily halted.

The halting of gas deliveries caused severe energy shortages in southern Russia, and the level of future supplies will depend critically on how much crude oil the new regime in Iran decides to export. But the effects of the revolution will be ielt most keenly in the construction work that was in progress on Iran's second international gas trunkline, Igat-2. The \$3bn pipeline was about one-third complete, but abandonment of the project is now virtually

Mr. Hassan Nazih, chairman of the National Iranian Oil Company, said earlier this

there have been no serious accidents with ethylene pipe-lines in Britain although the

explosive.

Ethylene lines are remotely controlled and in Britain the necessary telemetric lines are provided by the Post Office. Usually a single line is dedicated to each pipeline—dedicated lines have high integrity and are extremely reliable. It is also possible to control pipeline operations by radio and this method is sometimes used on the Continent.

ratio and the sometimes used on the Continent.

Pressure is the most important factor in ensuring the

important tactor in ensuring the smooth and efficient functioning of an ethylene pipeline. Ethylene is normally pushed through a line at between 900 and 1,200 pounds per square lnch. The critical pressure is about 900 psi. If the pressure falls below this, a two-phase flow may develop.

A two-phase flow means that some of the ethylene may form slugs of liquid in the line. This

not only impairs the flow but the mixture of gas and liquid can cause what one expert des-cribes as "a hell of a hang" at

may develop.

potentially

month that the 1,420 km large diameter pipeline was "90 per cent certain to be cancelled." Under a three-cornered agreement reached in 1975 the Soviet Union was to receive over 13bn cubic metres of natural gas a year from Iran through Igat-2. Russia was then to supply 11bn

per cent.

It is still far from clear how the probable cancellation of Igat-2 will effect supplies of gas to Western Europe, but at the very least it places an important

cancellation of Igat-2 would necessarily have a serious effect associated gas from the massive on German gas supplies, however, as the Soviet-German Work is progressing rapidly, agreement was not in immediate jeopardy.

German officials suggest that tial hard currency payments mediterraneau gas pipeline is involved in the gas contract. If being laid from Tunisia to Sicily.

the Soviet-European agreement By the early 1980s a natural is maintained, however, the USSR will have to make considerable internal sacrifices or

the pipeline terminal. On a long

pipeline the pressure has to be boosted by compressors.

which ensures that all the ethylene entering the grid is of

a certain quality.

Because of the size of the
European grid—much of it built
during the 1970s—there is little

prospect of any more major chemical pipelines being con-structed in Western Europe in the short or medium-term. But

there is no similar grid in the USSR as yet. One line has been

built in the Tartar Republic

which runs from Kazan, some 600 miles east of Moscow to

the salt caverns at Salavat,

where the ethylene can be stored. It was completed in 1977. Another in Siberia is now

being constructed from Angarsk to Zima, near Lake Baikal.

Sue Cameron

step up its own production. Soviet gas output is rising at about 9 per cent a year and will total more than 400bn cubic metres in 1979. But the

Caucasus is short of energy because output of gas and oil is stagnant or even declining there. The region's difficulties became clear during last winter when supplies through Iran' Igat-1 pipeline were stopped. This line normally delivers 10bn cubic metres a year to the cubic metres a year of Soviet Caucasus. There was wide-and Iranian gas to West Ger-spread suffering among the many, Austria and France copulation and industry was beginning in the mid-1980s, badly affected.

take 50 per cent of the gas, mean that the Russians will France a third and Austria 16.6 have to divert some supplies to the Caucasus which will mean in turn some disruption of supplies to the band of chemical plants that stretches from Odessa to Togliatti

On the other side of the globe question ever some of the most another major gas pipeline con ambitious gas pipeline projects arruction project is also run now under construction.

Herr Klaus Liesen, the chairman of Ruhrgas, West Gerdoubts about the timing of the many's largest natural gas dis-scheme to bring Alaskan gas tributor, stressed earlier this down through Western Canada month the importance of the to markets ranging from Cali-three-cornered supply agree fornia to Illinois. Here, the ment. It was of great economic major difficulty concerns finance significance to both the pur- for a project that is estimated chasers of the gas and the sup- to cost more than \$10bn. A pliers. He did not feel that the 4,800-mile pipeline would be needed to bring supplies of

however, on one of the world's major submarine pipelines, which is being built to link Italy the USSR would probably be to the gas-producing countries unwilling to forgo the substan- of North Africa. The Trans-

gas transmission system should be in place in Europe which will link the major consuming countries of the continent either by pipeline or liquefied natural gas terminals with areas which boast some 70 per cent of the entire

world's natural gas reserves.

The north-south system of the European gas grid was finished in 1977, when deliveries of North Sea gas started from the

Kevin Done Energy Correspondent

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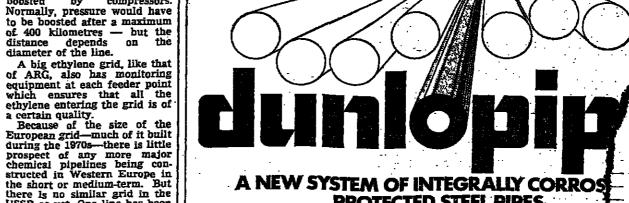
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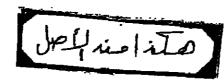
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THE MANAGEMENT PAGE

Lift-off soon for **COMMET**

BY HAZEL DUFFY

WHEN it comes to comparisons with Europe, Britain seems to enjoy its little indiosyncrasies The mechanical engineering industry is just one. The problem is: how to represent an industry which, more than most, is fragmented into many smaller industries? In the rest of western Europe, the individual trade associations have managed to federate themselves into a single representative in turn is affiliated to Orgalime. EEC nearly always ends up with bringing together the industry European countries.

The British mechanical engin-cering industry has tried to do the same, but the very number of trade associations in the least three previous efforts have collapsed, (the last in 1976 that view, when Brimech folded) but later The EE this month another attempt will be made. The body will be called COMMET—Council of Mechanical and Metal Trades. Its purpose, at least at this stage, is being confined modestly to representation in Orgalime.

Orgalime (Organisme de Liaison des Industries Metalliques Europeenes) is a federation of the engineering and metalworking trade bodies in the nine EEC countries and five EFTA countries. Both the mechanical and electrical engineering industries are repre-sented—the British electrical manufacturers are members through their trade association

Orgalime's function is represent the industry in a European context, and to provide liaison between the various national bodies. It does this on economic, legal, technical and other matters. For example, it can provide members with guides on drawing up internaconsortium agreements. model forms of patent licence agreements with a foreign com-pany, etc. It finds that more than 90 per cent of its work is concerned with what is happening at the European Commission other Common Market

back to the immediate postwar a table who only have their period, when a number of engineering trade associations in various European countries it still has a complaint, then it organised a series of intermust take the issue to the Comnational congresses. main formative period was during the period when the ECSC, EEC and EFTA were set brought together within Orga- and EFTA, are opposed to the lime and in 1963 the office was low-tariff agreement that Spain moved from Paris to Brussels.

It has successfully avoided joining the league of blossoming bureaucracies in Brussels by sticking to the maxim that it is there to make the member associations do the work themselves. The permanent structure consists of the Secretary assistant, secretarial staff and translaters (everything is put out in English and French, and executive committee consisting of the directors of member associations. which elects a president every two years. He is currently Bernardo Lips from

Orgalime could hardly claim the name of a federation if it did not have statutes and voting procedures, but sensibly these are avoided as far as possible. Representing 25,000 firms (albeit through their trade assoinevitably brings differing viewpoints. Liaison committees for sectors have been set up over they get to the stage of a split view, but it is realised that some go too deep for this remedy. The issue of the access that should be allowed third countries in bring- just in time.

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ing manufactured goods into the a split between those companies who have manfacturing facilities in, for example, the Far East,

and those that do not. Likewise, the whole issue of non-tariff barriers in trade leads to some associations taking a industry—no less than 250— liberal stance, while others has made it a difficult task. At whose industries are suffering more find it impossible to share

The EEC's proposed directive on product liability is a good example of the need for the engineering industry to put pressure on the Commission. In this event, the opposition to the proposals from Orgalime members was united. Other topics which Orgalime has found itself able to support in the past year include the GATT negotiations, although there were reservations from some members about the selected safeguard clause. However much Orgalime's

members might strive to be good nuropeans, complaints are heard sometimes that one EEC country is employing unfair tactics to the detriment of the industry elsewhre in the Community. But Orgalime says it would never take a complaint by one member country against another to the Commission. Instead, it hopes to "neutralise the squabbles" before they get out of hand. Mr. Gay says a frequent complaint is that particular countries are offering better export credit guarantees than others.

"We went into a lot of detail on this particular complaint, and distributed widely the results of our research. It often helps to put this sort of information down on paper, rather than have Orgalime's foundations date a group of people sitting round own view of the problem." If a member association feels that But its mission on its own.

One thorny problem that has not yet been fully thrashed out concerns Spain Many of the associations, both from the EEC low-tariff agreement that Spain has with the EEC, and accuse Spain of erecting non-tariff barriers against their industries. Spain's eventual accession to the EEC is also seen as a threat to parts of the engineering industry, because it is a low-cost

The representation of the hear the EFTA view as well as EFTA members are equally keen to be kept up to date on what is happening in Brussels. The influence of Brussels in trade and industry is growing all the time, both as a representative force in external relaclimate of industry within the Community. On matters of international codes of conduct. for example in relation to South Africa, multi-nationals, er anti-corruption, the Commission all the EEC countries, while on matters such as dumping, it is a more powerful representative the past year to try to iron out of industry than individual some of the differences before governments. The British mechanical engineering industry, which has not been a mem-ber of Orgalime since 1976. would seem to be getting back

With tighter controls on the horizon for many potentially toxic substances, David Fishlock looks at role the of a medical science unit recently set up to identify new health risks.

Toxic byways in Dr. Douglas's parish

and other related industries.

believed to be about 100 people hospitals or on a control of the particularly unsubstitution of black-pimpled meter to record by acne which afflicted the people of Seveso in Italy after an accident at a Hoffmann la Roche factory in 1976. This company has paid out about \$11.6m in damages to people affected by the escape of toxic gas. The British victims picked up chloraene through exposure to certain chlorinated chemicaleor impurities in these chemicals in the chemical processing

To take another example, the people at greatest risk from lead poisoning in Pritala today are demolition workers. They inhale fumes from lead paint when cutting up old steelwork with oxy-

Lead poisoning was the first "industrial disease" to be made notifiable in Britian, as long ago as 1899, Ironically, those Acts which strictly control the risks of lead poisoning in the processing industries do not extend at present to demolition

Within a few months, how-

ever, the government is likely to introduce tighter controls on many potentially toxic substances in industry. In anticipation of controls expected to embrace dozens of carcinogenic (cancer-causing) chemicals, and perhaps a couple of hundred substances known to cause industrial allergies, the Health and Safety Executive has set up a new medical science unit?. The new unit, of about a score of professional staff, is headed by Dr. David Douglas, a medical doctor and a deputy director of medical services of the agency. His job is to weigh all the data he can glean on the health risk of any substance used at work, and advise the Health and Safety Executive where trouble may His remit includes chemicals, dusts, noise and vibration—but not radiation of

ingical Protection Board.

any kind, which remains the

ourview of the National Radio-

a chemical factory than outside." is to some extent a model the are much more likely to contract health risk, not least to other inside than outside the chemical and other related industries veniently apply to a host of working with radiation in hospitals or en a construction always to wear a personal dosemeter to record how much radiation they are receiving. The latest version of this

> and used by more than 5,000 radiation workers, is autoanalysed matically Its data is filed on computer against the wearer's national insurance number. The intention is that these records shall be kept for at least 50 Any hint that accumulated low doses of radiation may be having an adverse effect on health, and the medical scienand dependable body of data to see if standards need to be

dosemeter, introduced in 1977.

Hazard

Dr. Douglas's job is to judge how for this very stringent form control over an industrial ard can be—indeed, needs to be-extended to chemicals. fumes dusts, etc. For example, does the risk in industry from eadmium poisoning justify regular sampling of the urine workers in the refining, electroplating, ceramic and other industries? The technology to detect a rising level of cadmium before it has any biological effect on the worker is certainly available in this

Toxic metals, the first of three broad categories of industrial risk in Dr. Douglas's parish, are the easiest problem. There is no toxic metal used in industry, lead, cadmium, mercury, antimony, arsenic, etc., which cannot be put under tight

and constant surveillance if this can be justified. But there is known to cause occupational no toxic metal from which a asthma, for instance. Moreover, large workforce is at risk in Britain today, says Douglas. Under the new regulations, workers are likely to be taken off work with such metals as mercury or cadmium when

urine contamination levels ex-

ceed a certain figure, just as

More difficult to place under strict surveillance, says Douglas, is the second category

tional carcinogens. A carcino-gen is defined as any substance capable of producing an excess of cancers in man. The point is models can sometimes gravely distort distort the evidence. For example, testing industrial example, testing industrial fumes for carcinogenicity on a rat can be quite misleading because aerosol droplets may accumulate high up in its lungs, whereas in man they spread more thinly and barmlessly through the much wider tracts.

"We've got to be flexible because techniques for testing will change and the relevance to man will vary with the test," says Dr. Douglas. But how, for the purpose of protecting the worker, do you draft regula-tions saying: "We're leaving this open and flexible?" subject is one the Chemical Industries Association has also been mulling over, and there have been discussions with the

The Health and Safety Executive is thinking in terms of "dozens not hundreds" of industrial carcinogens known to warrant close surveillance at present. Once it has drawn up a schedule of known carcino ens, however, it should be relatively easy to add substances, believes Dr. Douglas. His problem is that for most known carcinogens there is no biological test they can recommend at present to say whether a worker accumulating a worrisome amount of the chemical. Even where a carcinogen can be assayed accurately—as with benzene in blood-the measure

ment cannot yet be correlated with cancer risk. Still more bewildering to the scientists is the third broad category of toxic substance, the sensitising agents. Literally hundreds of sub stances. says Douglas, once a person has been "sensit ised" to an agent, he will forever react to traces of it it's a major cause of concern.

Occupational allergies are rarely killers-many responses are very mild-but asthma can be a serious and disabling



sessing how stringent controls industrial hazards.

provoking an allergic response in some people. Over 200 agents are documented already.

For Douglas's unit there are problems in detecting the sensi-tising agent, problems in how to treat people affected, problems in how to centrol the

Already however, he is look ing beyond these recognised problems to ask questions in

And virtually any organic areas where problems have not chemical has the potential for yet become apparent. The pharmaceutical industry, example, knows it has problems with occupational allergies. It recognised long ago that it was sensitising some workers to penicillin and they were responding massive reactions when they needed the drug themselves:

Now Dr. Douglas has begun to ask questions about other risks to which it may be exposing workforces through pro- 25, Chapel Street, London tracted exposure to very low NWI 4DT.

manufacture. Oral contracep-tives and steroids, for instance, can have significant metabolic effects at low levels over long periods. With steroids, one of the more evident is the charac-teristic "moon face" of people

on long-term treatment. Dr. Douglas has freedom to commission research from the large research division of the Health and Safety Executive. One study he is about to commission is of the effect — if any — of low-level exposure to all chemical agents on reproduction: not only teratogenic effects, that is on the unborn baby, but any effects on the reproductive mechanisms of This will start with a computer search of all toxicity data already filed by his agency on chemical substances. But he is also interviewing the drug industry's own medical advisers to learn what they think about health surveillance within their

own companies.

The trend is clear: not only build large data bases on industrial health risks but, more important, to find more sophisticated ways of assessing them, so that the records—the epidemio-logical data — are available as soon as a problem pokes up its head. In fact, David Douglas hopes to go a big step further. "It would be nice to think that we could anticipate problems instead of always reacting to them.

The Occupational Health Information, Data Appraisal and Epidemiological Branch of the Health and Safety Executive.

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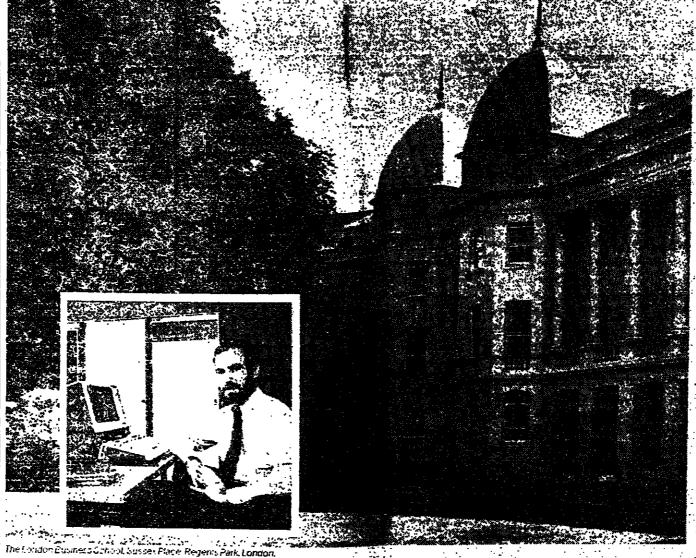
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LOMBARD

A failure of communication

BY DAVID LASCELLES

ONE OF THE MANY rumours shortage flying around the U.S. these days says that gasoline is short because Alaskan oil is being exported to Japan. Not only is this totally untrue, but inconceivable: there is not one but two laws prohibiting the export of U.S. oil without express Congressional permission. And far from granting that permission. Congress actually reaffirmed one of those laws last month.

national energy policy, even six years after OPEC started flexing its muscles. Public confusion about the facts and issues of the energy crisis, compounded by anger, has probably done more to stymic energy policy than anything else.

The public is not just con-fused about matters of judgment (like whether or not the oil companies' profits are "exorbitas so many people allege, or indeed, whether there is an energy crisis at all), but also simple matters of fact. For example, the latest public opinion polls showed that over a third (36 per cent to be exact) of the country believes the U.S. is self-sufficient in oil. The truth is that the U.S. imports nearly half its oil, and this share is rising. Only 51 per cent knew that the U.S. imported oil.

Profligate

Another misapprehension is that the oil companies are hoard-ing oil for the day when prices rise. In fact, stocks are perilously low. Moreover, any diversion of oil from gasoline production is taking place at the behest of President Carter who believes - quite sensibly -that it is more important to build up supplies of heating oil for next winter than fuel profligate summer driving.

A fourth misapprehension (voiced by a senator who should have known better) is that Mr. Carter's plan to increase the price of oil in the U.S. will "play straight into OPEC's hands." In fact, it will do the exact opposite. The higher U.S. prices go, the slower demand will rise, and the weaker OPEC's market will become.

Other reasons we hear advanced for the U.S. oil Capitol Hill garage which insulates them from the real the way it ought to be.

shortage (there's probably something in that): garage owners are "ripping off" the public (in fact, they are subject to the most complex price regu-lations devised by man); gaso-line prices are "ridiculously high" (the U.S. motorist should try filling his tank at a European garage).

How to explain this confusion? Partly, it is just that: confusion. Events have moved so fast that Stories like this help to ex-plain why the U.S. seems keep up with them, so he has incapable of putting together a gone for the simple explanations, particularly those that put the blame on somebody else, like OPEC or the much-criticised Japanese. Another reason is the pants in the energy debate.

Disbelieved

Few sources of information on energy are genuinely objective. The oil industry puts out reams of figures which are wide!y disbelieved simply because they are put out by the oil industry. (In fact the Energy Department has ordered a special audit of the oil companies' inventories on suspicious that they may not be telling the truth about their stocks.) The consumer organisations have a more popular following, but most of their outpourings have a strong anti-business bias and tell only one side of the story.

Even the Energy Department has an axe to grind, locked as it is in a battle to have its policies approved by the rest of the Government. It has also become the national scapegoat for the country's energy prob-lems, so it gets boosed whenever it says anything.

As the movie lawman said after his charges had a rather bloody bout of fisticuffs: "What we have here is a failure of communication."

What can be done about it? Alas, it seems very little. The situation is so complicated, and emotions run so high that even detached observers have trouble cetting to grips with it. So it comes as no surprise to hear people muttering about the need for a brief dose of dictatorship. Indeed, the Chancellor of the Exchequer's power to raise British petrol prices by 10p at a stroke, as he did this week, has been held crisis: Congressmen have access up by the more exasperated to special gasoline supplies in segments of the U.S. population as an instance of government

CBI polishes 'work' image

By ANTHONY MORETON

Sheffield closes its doors. Since last Saturday industry has been on show in the city's Norfolk Park in an attempt to put across to the community the message that it is not something alien to

new. Its motivating force in Sheffield has been the Con-federation of British Industry, which realises that unless words like "profit," "capitalism," "bosses" and even "industry" itself are not to have a perjorative connotation then it must go out and proselytise, especially to the young.

Sir John Methven, director general of the CBI, admits that it will be difficult to evaluate just how successful the Week has been, since numbers are tish city are being talked about not necessarily an indication. as possible partners for the next As a result of linking the Week with other public functions in Sheffield, such as the Lord Mayor's Parade, the numbers visiting the exhibition have been considerable. On Saturday there were over 10,000 and on Sunday well over 25,000.

But unless people, especially school- and university-leavers, participated, are stimulated into thinking Firms in

AN EVENT unique in British succeeded. There is no way, industrial life draws to a close unfortunately, of quantifying Board, the Post Office and the tonight when Industry Week in this. However, the CBI has been

sufficiently impressed by the co-operation it has received from local authority, for long one of Labour's municipal strong-holds, to think in terms of Nothing like it has been attempted in this country before though abroad, in countries like Finland, the idea is not like Finla



Focal point of the Week has been the exhibition in six marquees by local firms and a few national organisations such as the CBI, the Stock Exchange and the National Economic unusual in Britain but the scale Development Office. Even the of them held in conjunction Corporation of London has

prominent concerns such Davy Loewy, Firth Brown Tools, Neepsend, BP Oil, George Bassett and, of course, the Cutlery and Silverware Association. Smaller firms which are not household names but which are well know in the city, such as Allen Bennett, Harthill Developments and Trianco Red-

fyre also participated. Altogether, over 80 of them had some form of display. And there was close co-operation between the organisers and Sheffield's education committee, since the intention was to introduce industry to the young.

In addition to these, there were seminars dealing with a strategy for survival for business, raising money for business and the micro-technology revo-But the exhibitions and

seminars were only the surface large-company oriented organicoating. Much of the real follow-up came through companies which organised openday visits, again largely aimed at the young, to their works. Such visits are by no means

with the week certainly is. At least 30 companies arranged are stimulated into thinking Firms in Sheffield joined in facilities for parties, usually more positively about industry readily. Apart from the between a dozen and 25 strong, then the Week will not have nationalised industries such as to visit them, among them the

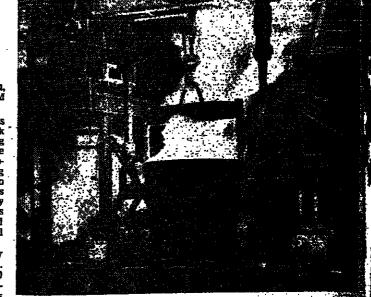
British Steel Corporation. Viners, British Oxygen and IBM

Sir John says the CBI has sponsored Industry Week because it has been stimulating links between industry and the universities and schools. "Projects such as Industry and Industry Industr iects such as Understanding British Industry are trying to inform pupils and teachers about what industry is really about and if this week proves business is a human pursuit and that it can be great fun I shall be a happier man.'

The CBI has put a relatively small amount into this project. The original budget was £25,000 but there has been some seepage and the eventual cost is likely to be nearer £30,000.

There is another strand to its thinking, though. Sir John is anxious to give greater weight to the Confederation's regional role. To most commentators and many others the CBI is a sation dominated by the majors but he knows that numerically the bulk of its membership is spread around the country and he wants to strengthen the regional organisation.

Although admitting the difficulties, he foresees the day when the CBI's president will come for the first time from a company operating outside among the most prominent being London Sheffield was chosen for



Traditional Sheffield steelmaking at the Atlas works Firth Brown Limited.

internal CBI reasons, but was Services Commission, will quickly welcomed by the city opens in September. The lems are less acute than many others surrounding it. Its level of unemployment is lower than both the national and regional average and it has until recently been heavily dependent on manufacturing industry, especi-ally in steel and the allied cutlery industry.

However, it has attracted a number of service industries, 15 departments of the Mid-land Bank and the Manpower

Services Commission, wal even though its industrial prob- bring 4,000 jobs to the city of which a half will come from

to see its manufacturing sector

Mother Earth to win again

tive crowds are unlikely to go Bradette. home disappointed

To my mind the most informative racing this afternoon will be at York where several highly promising juveniles including Mother Earth, Just Amber. Charming Native and Pride and

RACING

BY DOMINIC WIGAN

Faith will be in action. My idea of the safest proposition is Lord Halifax's Jukebox filly, Mother Earth, trained by Dick Hern.

Her reputation on home gallops preceded her to Hay-dock last month and she was made an 11-10 favourite for the St. Helens Stakes to win first time out. Always travelling smoothly in ground far more testing than she is likely to Garden. 11.15-11.20 Regional and

the most popular courses in the country, stage fine programmes this afternoon and their respectivity four lengths in band of

Whether Mother Earth is equally at ease on ground likely to he riding on the fast side of good we will have to wait and see. However, I shall be both surprised and disappointed if either the opposition or the going prevent her from follow-

Pride and Faith, rated Gavin Prifchard-Gordon's best two year old colt, looks to be the one they will all have to contain in the Eagle Development Group Stakes following his comfortable victory over Heroic Air in the Felix Leach Stakes at Newmarket.

Heavily protected by bandages on his home course, Pride and Faith had the measure of Heroic Air. who started at twoto-one some way from home. I anticipate a reproduction of that running seeing him easily disposing of Lester Piggott's

at Home. 2.25 Racing from Sandown Park: 2.30, 3.05 3.40 races. 3.50 Tennis. 4.15 Midnight is a

Place. 4.45 Magpie Brooklands Special. 5.15 The Brady Bunch.

10.30 A Question of Sex.
11.15 The London Programme.
13.15 am Electric Theatre Show.

12.45 Close.
All IBA regions as London

except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Money-Go-Round. 6.15 Emmerdale Farm. 6.00 About Anglia. 7.30 Gambit. 8.00 Chips. 10.30 Probe. 11.00 Film: "A House Is Not A Home." starring Shelley Winters and Robert Taylor. 12.45 Christians in Action.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 3.50 Friends of Man. 5.15 Makin' It. 6.00 ATV Today. 3.00 The Incredible Hill. 10.30 Mary Hert-man. 11.00 Hell Divers (film), starting Stanley Baker.

BORDER

1.20 pm Border News. 2.00 Money-Go-Round. 5-15 Garnock Way. 6.00 Lookaround. 6-30 Happy Days. 8.00 Fantasy Island. 10-30 The Borderss. 11.00 Lanigan's Rabbi. 12-15 am Border News.

CHANNEL

5.45 News.

9.00 Kids.

10.00 News.

6.00 Thames at Six,

6.30 Emmerdale Farm.

7.30 Winner Takes Ali.

8.00 Hawaii Five-O.

SANDOWN AND York, two of meet again, Mother Earth drew mount, Charming Native, who was all out to land a minor event at a Windsor evening meeting on May 14.

> Although he was a major disappointment at Bath last time out, Fleet Order strikes me as worth another chance in the Merchant Adventurers Stakes over two miles. This colt, by Reform had previously put up a highly creditable per formance on that same course in running Le Champ Talot to two and a half lengths. His last run is best ignored.

YORK

2.15-Mother Earth29 2.45-Fleet Order*** 3.20-Pride and Faith 3.50-Silver Lord 4.20--- Rешеzzo

film. Spellbound, with Ingrid Bargman, Gregory Pack. 12.30 am The Wild Wild World of Animals.

HTV

1.20 pm Report West. 1.25 Report Wales. 3.50 Out of Town. 5.15 Melopons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 8.00 The Incredible Hulk. 10.35 Report Extra.

Sanders.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 Penawdau Newyddion. 4.15-4.45 Cathod—Dyna I Chi Gathod! 6.00-6.15 Y Dydd. 10.35-11.05 Camera. 11.05-11.35 Outlook. 11.35-12.30 The Outsiders.

HTV West—As HTV General Service except: 1.25-1.30 Report West. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and Road and Weather.
5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today. 8.00 The incredible Hulk. 10.30 Ways and Means. 11.00 Late Call. 11.05 The Beest In the Celler (frim) with Beryl Reid.

SOUTHERN

1-20 pm Southern News. 2.00 MoneyGo-Round. 5.15 Betty Boop. 5.20
Crossroads. 6.00 Day by Day. 6.00
Scene South East. 6.30 What's
Next? 10.30 Weekend. 10.35 Opinions
Unlimited. 11.05 Southern News Extra.
11.15 Soap. 11.45-1.45 am A City's
Child, starring Monics Maughan.

TYNE TEES

9.25 am The Good Word. 1.20 North East News. 5.15 Laverne and Shirley. 6.00 Northern Life. 8.00 The incredible Hulk. 10.30 Friday Live. 12.00 S.W.A.T. 12.55 am Epilogue.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Crossroads. 6.00 Ulster News. 6.30 Mork and Mindy. 8.00 The Incredible Hulk. 10.30 Film: "The Scalphunters." with Burt Lancaster. 12.20 am Bedtime.

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"I HAVE RARELY FELT SO GRIPPED.
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SO CONSCIOUS THAY EVERYONE IN
THE HOUSE WAS REACTING AS

WAS "OS. EVE. B.OG. SAL S.AS and
B.43 Red. price Manages Weds. M 3.02.

local recruitment. The city's policy has been and leaven the manufacturing basebecause of the rationalisation of the steel industry and the

demand from school-leavers wanting to go into white-collar jobs. Even so, it does not want eroded too greatly and it was for this reason that it welcomed the CBI's approach.

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CINEMAS

CLASSIC Leicester Square 01-930 8915. DEATH COLLECTOR (X), 2.55. 6.05. 9.15. MEAN DOG BLUES (X), 1.10. ODEON LEICESTER SOUARE.
THE LADY VANISHES (A).
Was. doors open 1.45, 4.45
3.00, 7.30, All seats bible.
Box Office or by post.

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BBC 1 in black and white

+ Indicates programmes 12.50 Teliffant. 3.00 Schools, 3.55 Play School, 4.20 Heyyy, It's the King. 4.40 We Are the Champions. 5.10

Lassie. 5.35 Fred Bassett.

5.40 News. Garden. II.15-1 .5.55 Nationwide (London and National News. South-East).

9.25 International Show Jump-

10.45 Tonight in Town. †11.20-1.05 Film: "The Country Girl" starring Bing

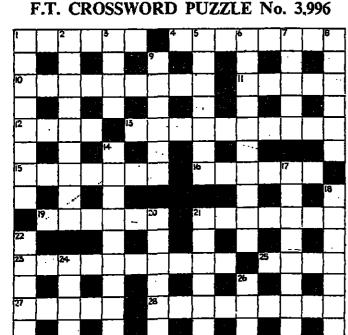
the following times: Scotland-5.55-6.20 Reporting

Scotland. 10.45-11.15 Beechgrove

6.40-7.55 am Open University (Ultra High Frequency only). 10.45 You and Me. 11.30-11.45 News 130 Heads and Tails 2.02-

6.20 Nationwide. 7.00 It's a Knockout. 8.00 Are You Being Served? 8.30 Two Up, Two Down.

Girl " starring Bing Crosby, Grace Kelly All Regions as BBC1 except at



ACROSS 1 Flowering plant growing first to last by a meadow (6) 4 Unorthodox to slay Inn's

bowling figures (8)

Lamp set to produce pale flower (5.4) II Memo we received contained reference to a cutter (5)
12 Round chaps with a sign for the future? (4) 13 Jester's journey featured in

paper for laughs (5, 5) 15 No dreamer about boxing champion by the way (7) 16 King not strict on horn (6) 19 Editorial guide (6)
21 Special limit on A1 for return

of reserve troops (7)
23 Suitable setting for Pinafore 25 Simple pool (4) 27 Doctor gets a master to play 28 Uneasy with negative reception (3, 2, 4)

29 Affording a cure for engin-cering regiment to face (8) 30 Twister on drunken spree (6)

DOWN 1 On which to go down in the 4.44 (3, 5) 2 Total concrete mixture (9) 3 Food for eastern women's

5 Club writer on beat (7) 6 Catkins Shakespeare potted

7 Broadcaster could be worse 8 Rank sign kept up one's sleeve (6) 9 Destined to be climinated (3.

14 Certainty said to be worth a bushy pair (4, 2, 4) 17 Heading for travelling (2, 3, 18 Approached accountant over

soldiers' hearing aid (4, 4) 20 West-end included in circular over a building (7)
21 Force youth leader to be powerful (6)

22 Paic with blushing upset

24 Left sheets of paper outside

stray (6)

province (5)
26 Eyesore revealed by latest year-book (4)
SOLUTION TO PUZZLE No. 3.995

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B C N A Y C 2 A
BRANDISH MODERN
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Wales—1.30-1.45 Bys a Bawd. 5.55-6.20 Wales Today. 7.00-7.30 Heddiw. 7.30-8.00 Lena Zavaroni. 10.45-11.15 Kane on Friday. 11.15-11.20 Regional and National News. pm Northern Ireland News. 5.55-

6.20 Scene Around Six. 10.45-11.15 Public Enquiry. 11.15-11.20 Regional and National News. England-3.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol): South Today (Southampton); Spotlight South West (Plymouth). 10.45-11.15 East (Norwich) Variations. Midlands (Birmingham) This Is ... North (Leeds) Direct Line.

Friday. North West (Manchester) Home Ground South West (Plymouth) Peninsula. West (Bristol)

North East (Newcastle) Mike on

Public Life. BBC 2 6.40-7.55 Open University.

11.00-11.25 Play Schol. 2.00 pm International Tennis. The Stella Artois Grass 4.30-6.55 Open University.

6.55 Gardeners' World. 7.20 News. 7.30 Heads and Tales. 7.45 Westminster. 8.10 Television World.

Small. 9.50 Around with Alliss, 10.20 Buliseye.

9.00 All Creatures Great and

11.05 International Tennis. LONDON 9.30 am Schools Programmes. 11.55 Betty Boop. 12.00 A Handful of Songs. 12.10 pm Rainbow. 12.39 The Sullivans. 1.00 News. 1.20 Thames News. 1.30 Home and Design. 2.00 After Noon Plus

Radio Wavelengths

1053kHz/285m 7 1215kHz/247m 1089kHz/275m 7 8 90-92.5vhf store

2893kHz/433m 905kHz/330m 8 88-91vhf stered 4 8 92.95vhf

(\$) Stereophonic broadcast

+ Medium wave

5.00 am As Redio 2 6.00 Dave Lee
Travis. 9.00 Simon Bates. 11.31 Paul
Burnett. 2.00 pm Tony Blackhum.
4.31 Kid Jensen 6.31 Roundfable.
8.00 Andy Peebles. 9.50 Newsbeat.
10.00 The Firday Rock Show (\$).
12.00-5.00 am As Radio 2.

PA DIO 2

12.00-5.00 am As Radio 2.

RADIO 2

S.00 am News Summary: Weather.
5.02 Tony Brandon (S). 7.32 Terry
Wogan (S) 10.03 Jammy Young (S).
12.15 pm Wangoners' Welk. 12.30
Pete Murray's Open House (S). 2.30
Roy Moore (S). 4.30 Wangonors' Walk.
4.45 Sports Desk. 4.50 John Dunn (S).
6.45 Sports Desk. 7.02 The Grumblewaeds (S). 7.33 Fiesta de Dorita (S).
8.02 Friday Night is Music Night (S).
9.55 Sports Desk. 10.02 Barn Dance.
11.02 Sports Desk. 11.05 Brian
Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and
the Night and the Music (S).

RADIO 3

#8.55 am Weather 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Over-ture (S). 9.00 News. 8.05 This Week's Composer: Bach (S). 70.00 Young Artists Recital (S). 10.55 BBC Northern Iroland Orchestra (S).: Hindenith.

RADIO 1

RADIO 3

1.20 pm Channel News 5.15 Emmerdale Farm. 6.00 Report at Six. 6.35 Friends of Man 10.28 Channel News. 10.35 Pastimos for the Present. 10.55 B.J. and the Bear 12.40 am News and Weather in French. GRAMPIAN

GRANADA

12.27 pm Gus Honeybun. 1.20 Westward Naws. 5.15 Emmerdale Farm. 6.00 Westward Diary. 6.35 Time Out. 10.32 Westward News. 10.36 Pastimes for the Present. 10.55 B.J. and the Bear. 12.40 am Faith for Life. 9.20 am First Tthing. 1.20 pm Grampian News. 5.75 Emmerdale Farm. 8.00 Grempian Today. 6.35 Father Dear Father. 7.30 The Entertainers. 10.30 Reflections. 10.35 Film: The Oblone Box," starring Vincent Price. 12.25 am Grampian Hoadlines. 12.30 pm The Cedar Tree. 1.20 Calendar News. 3.50 The Sullivans. 5.15 Makin' It. 8.00 Calendar. 6.35 Calendar Suramer Sport. 8.00 The Ledy Vanishes (Hitchcock film) starring 1.20 pm Cartoon. 3.50 Out of Yown. 5.10 Captain Nemo. 5.15 Crossroads. 6.00 Granda Reports. 6.30 Oh No It's Sciwyn Froggitt. 10.30 Hindbook

BBC Radio London: 1458kHz, 206m & 94.9vhf Capital Radio: 1548kHz, 194m & 95.8vH

Tcherepnin, Roberts, Haydn. 11.40 The Part-Song Repertory (\$) 12.10 pm Midday Concert (\$) part 1: Prokofiev, Delius. 1.00 News. 1.05 Playbill (\$) Preview of Radios 3 and 4. 1.20 Middey Concert (\$) Part 2: Martinu. 2.00 Gluck Double Bill (\$1 part 1: Don Juan—extracts from the ballet. 2.30 in Short. 2.40 Gluck Double Bill (\$) part 2: Orleo ed Euridice—opera in three scenes. 4.25 New Piane Music from Ireland (\$). 5.10 Janacek (\$. 5.25 Homoward Bound (\$). \$5.45 News. \$5.50 Homeward Bound. (\$). \$4.54 News. \$5.50 Homeward Bound. \$6.15 At Home. 7.10 Songé for tenor and Guitar (\$). 7.45 Music Now. 8.30 Aldeburgh Fostival 1979: Mozart (\$) Concert, part 1 9.25 The Brainwashing of Lemuel Guilliver. 9.45 Aldeburgh Fostival (\$) part 2 10.30 Momonts of Being. 11.00 Beethoven and Brahms (\$). 11.56-12.00 Nows.

RADIO 4 6.00 am News Briefing, 6.10 Farming Today, 8.25 Shipping forecast, 6.30 Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News; 7.30, 8.30 Mews headlines; 7.45 Thought for the Day, 8.35 Yesterday in Perlament, 5.00 News, 9.05 Baker's Dozen, 10.00 News, 10.05 From Our Own Correspondent, 10.30 Service, 10.45 Story, 11.00 Down Your Way, 11.45 Listen With Mother, 12.00 News, 12.02 pm

You and Yours. 12.27 My Music (S).
1.00 The World At One. 1.40 The
Archers. 1.59 Shipping Forecast. 2.00
News. 2.02 Woman's Hour. 3.00
News. 3.05 The Adventures of Harry
Richmond (S). 4.00 News. 4.05 California Here i Come I 4.30 Announcements. 4.35 Story Time. 5.00 PM
News megazine. 5.50 Shipping Forecast. 5.55 Weather: programme news.
6.00 Nows. 6.30 Going Places. 7.00
News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30
Any Quasilons? 8.15 Letter from
Americs. 9.30 Kalendoscope. 9.59 of the Week (S). B.10 Profile. B.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Weak Ending (S). 10.55 Sounding Off. 11.00 Book At Bedume. 11.15 Financial World Tonight. 11.30 Today in Parliament. 11.45 Just Before Midnight. 12.00 News. BBC Radio London 5.00 em As Radio 2. 6.30 Rush Hour. 9.00 London Live. 11.40 Lobby, 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 London Sports Desk. 6.35 Good Fishing. 7.00 Look, Stop. Listen. 7.30 Black Londoners. 8.30 Track Record. 10.00 Late Night London. 12.00-5.00 am As Radio 2. 12.00-5.00 am As Hann ...

London Broadcasting

on am Morning Music. 6.00 The 5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayos. 1.00-8.00 pm LBC Reports with George Gale at 3.00. 8.00 After Eight, 9.00 Night-line. 1.00 am Night Extra. Inne. 1.00 am Night Extra.

Capital Radio
6.00 am Mike Smith's Breakfast
Show (S). 9.00 Michael Aspet (S).
12.00 Peter Young (S). 3.00 Roger
Scott (S). 7.00 London Today (S).
7.30 Adrian Love's Open Line (S). 9.00
Nicky Home's Mummy's Weekly (S).
11.00 Mike Allan's Leta Show (S).
2.00 am Ian Davidson's Landon Link
Internetronal (S).

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From 8.00. Dwing and Dancing.
9.30 SUPER REVUE
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7.30. JULIUS CAESAR
with BERNARD HEPTON
with ROSEMARY LEACH John
RICHARD II and JULIUS CAESAR
in Rep from, Mon. 2+ 7.30 The. & Thur
2.30. Wed. 7.00.

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Best Musical of the Year 1978, E. Stan.

Students IT in day. Adv. bogs Aldwell.

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Commences Mon. 18 June for 2 wks only
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"The
pulsate while to pulsate and beads."
ENews.
Returns to Drury Lano Theatre July 12.
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2443 (DD. Tube). PETER HANDKE'S.
THE LEFT HANDED WOMAR (A). Props. daily 2.00. 4.10. 6.25. 8.45.
CLASSIC. 1. 2. Mammaker (Dec. addit). GAIN 2.00. 4.10. 6.25. 8.45.

CLASSIC. 1, 2, 3, Haymarket (Pictadilly. Circus Tube). 01-839. 15.

1: THE BUDDY HOLLY STORY (2.5). in tull stereophonic sound. Procs. 12.50. 2.05. 5.40. 8.15.

2: THE WORLD IS FULL OF MARRIED MEN (X). Procs. 1.15. 3.30. 5.50. 8.10. 5.50. STORY FROM SRAZIL (X). Progs. 2.20. 4.55. 7.40. 4.55. 7.40.

CLASSIC 1. 2. 3. 4. Oxford Street, 636
0310 (opp. Totenham Court Rd. Tube).
1: THE BUDDY MOLLY STORY (A).
16 Inil steregobonic sound, Progs. 1.45.
3.55, 6.10 8.20.
2: THE WARRIORS (X), Progs. 1.45.
3.25, 5.50, 8.15.
3.25, 5.50, 8.15.
3.26, perfs. 2.00. 7.15.
4.62, TUTLEY FROM THE MOVIE (X), Progs. 1.45.
3.25, 3.45, 5.55, 8.10.

CLASSIC, Leicester Square, 01.930, A615. CLASSIC POLY. Oxford Circus (Upper Regent St.). 637 9863, Final weeks' ingrid Bergman, Liv Ullman AUTUMN SONATA (AA), Progs. 1.30 (not Sun.). 2.45, 6.00 8.15. LEICESTER SQUARE THEATRE, 930'S. THE MUPPET MOVIE (U). Sep. pm. div. 2.00. 5.15. 8.30. Late Night 5.6 11. and san statement of the sound of the soun

ODEON MARBLE ARCH
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THINGS
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SUN.) 12.40, 3.0, 5.
Show Fri. and 52f. 1.
Licensed Bar.



Roger Rees

The Other Place, Stratford

The Suicide

by GARRY O'CONNOR

of us is afraid of someone," Spicide, adding "except for me," ing himself exclusively for their he picks up the phone, dials the Krombe of their cause alone: "Now, more than the Kremlin and insists a message be passed on to "him." Erdman is a dazzling manipumeaning Stalin, that he has read later of plott time and again he Marx and he does not like him. takes his main idea through A defiant move, considering that electrifying twists and turns The Suicide was written in 1930. and, miraculously enough, hold-Podsekalnikov then goes off solemnly to shoot himself. The Suicide, although rehearsed by the Moscow Arts Theatre, was never performed.

But Erdman's many-sided farce is no ordinary piece of dissidence, and for much of it. it is unclear exactly where his committing suicide because he can find no work in Communist Eussia (this was before the Stalinist purges) is not even an original thought: it is foisted depicts admirably the pain and on him by his wife and mother- grim humour of living in such in-law, who because of his confused times, and the large extreme behaviour decide he cast under Ron Daniels' direc-must be on the point of killing tion orchestrate the rapid himself. He produces a gun, but change of moods and, no less, the gun is a symbol, not of his the many-sided intellectual own will to suicide, but of the implications. The production many frustrated factions in the mirrors the busy, condensed and Revolution who want to make wayward nature of Erdman's use of the suicide for their own dissident vision.

A member of the Intelligentsia wants Podsekalnikov in his note to call attention to the plight of the Intelligenisia. A femme fatale wants him to resurrect love as a spiritual force; a butcher, to show the state of the meat supply. And June 27, is Pirandello's Six so on. Beyond all this, a subtle Characters in Search of an scoundrel, worthy of Congreve's Author, in a new translation by invention and called Kalabush-

"There are 200m people in disaffected factions into a the Soviet Union, and each one moneymaking plot for his own profit, having persuaded them the naïve Podsekalnikov is killever, we need dead ideologists."

ing suspense to the very end as to whether Podsckalaikov will live or die. Ideas such as "These are modern times, praying is a sin," tumble out head-

long, sending reverberations in directions too numerous to list. They show how alive Erdman was to all that was taking place point of view does lie. Podse around him, even if he could kalnikor's declared intention of not quite unify the threads. It was a tragedy that this was the last play he wrote, though he lived for another 40 years.

Roger Rees, as Podsekalnikov,

Pirandello play at Greenwich

The next production at Greenwich Theatre, opening on June 28, with a preview on John Linstrum, it is the first kin, who works on a fairground London revival of the play

The All-American Hero by NIGEL ANDREWS Mahler 6

Oliver's Story (A) The Buddy Holly Story (AA) .
Classic Haymarket Gala Royal Saladin (A)

The Western was charged The Western was charged with the grandeur of John Wayne. Where a hundred Hollywood six-shooters failed, it was illness that flually felled this most monumental of stars: cancer, or as Wayne preferred to call it the "big C." Wayne's death last Tuesday was the quietus for the movie Western. It rose with Wayne during the 1930s, it reached its highest peak with him in 1939 with Stagecoach and it subsided with him into an autumnal, majestic him into an autumnal, majestic old-age during the 1960s.

Rumour wrongly ascribes Wayne's own debut as a star to Stagecoach. But Wayne had his first leading role in a Western ten years before that—in Raoul Walsh's The Big Trail (1929) and he was a busy if not worldfamous actor during the whole of the following decade. Diretor John Ford adopted him as his favourite youthful hero (he had "discovered" him in 1928. when Wayne was sweeping to the ephemera—of which this leaves on a movie set as third week there is a rich choice. Stagecoach set the seal on the Wayne star image: the lazy drawl, the rolling, almost tiptoe walk, the dry humour, the

wry gallantry. Wayne's majestic slowness of presence gave him an air of Ali McGraw. Wonder no more maturity even when young. He Love Story Part II, as inevitable was the obverse of a star like, as next Christmas, appears this James Cagney, who never grew week under the name of old nad w hose stock-in-trades Oliver's Story. Swoon once more were impetuosity and cat-like to the poignant, dancing sixths agility. Wayne's granite features of Francis Lai's score, wonder made every expression—from a anew at Ryan O'Neal's prowess grin to a scowl—seem like a with tears, and if you feel that crack in a mountain-face, the absence of Ali McGraw is Monument Valley, not surpris- a movie bereavement too great ingly, was the setting (used in to bear, console yourself with Stage Coach and several other the presence here of Candice westerns; where he and Ford Berger—a McGraw look-alike in felt most at home: a strange. hieratic wilderness of flat desert and sheer soaring rock.

Times may change, but Wayne never did, and his conreflected his intrinsigence. They were the politics of pioneer individualism, and they sat more easily in the historical frame of the Western frontier era than in the real world of the 20th century. But it's hard, despite the naiveties of his Victiam movie The Green Berets or the distortions of history in The Alomo, to wish Wayne had been otherwise. The power of his screen image came from the total sympathy and

beliefs.

Wayne was awarded his only

Oscar in 1969 for True Grit. Typically enough (of Oscar accolades), this was his most "theatrical" performance: funny and splenetic and flam-boyant, but far less touching and cherishable than the earlier films with John Ford — She Wore A Yellow Ribbon, Rio Grande or The Scarchers where he hardly acted at all. The most satisfying screen per-formances, it could be argued. are those where the actor's own personality lies flush with his role and no effort of "imper-sonation" is needed. By this yardstick, Wayne was a movie star head and shoulders above his contemporaries (which includes at least two generations). He was practically the definition of the strong, silent hero: living the role both on the screen and off it. He carved out an image of American strength and American idealism that can never be erased and will never

Meanwhile, regretfully, back

be forgotten.

You may have been wondering what happened to Oliver Barrett IIIrd - alias Ryan O'Neal-after the tragic death by leukemia of his wife, alias ash-blonde hair-playing the New York department-store heiress with whom our hero rediscovers his capacity for love.

Oliver's Story is directed by tentious right-wing politics John Korty, co-written by Korty and Love Story author. Erich Cegal, and is little short of excruciating. Two stories are intertwined, like a mishap with the gift-wrapping. One tells of Bergen and O'Neal's globetrotting romance, from candlelit dinners a deu in New York to a tourist idyll in Hong Kong. The other tells of Oliver's attemnts to "find himself" in his work as a lawyer. Should he forget money and espouse righteous causes, like

Diarist's record of the Navy

The first attempt to publish day-by-day diary-for internal in a single volume, a diarist's use in the Royal Navy to be record of the history of the a constan Royal Navy has just been published by the Centaur Press of ments. Fontwell, Sussex.

The book began as an idea by Admiral Sir Terence Lewin, the First Sea Lord who is soon to become Chief of Defence Staff, when he was C-in-C Naval Home Command. One of his collated notable events in a titled Day-by-Day.

Kassel

vice of its history and achieve-

It was later decided to prepare an expanded and illustrated book for wider circulation. The major task was continued by Capt. A. B. Sainsbury, a retired Royal Naval Reserve Officer and younger staff officers, Lt.-Cdr. historian, who has been Roger E. A. Arnold-Shrubh, responsible for the final work

into his father's shoes and become a Big Business plutocrut? His father being Ray Milland, whose speech is ever more
majestically suave and sly,
paternal charisma wins out and
O'Neal finally steps into the
family business. He loses Miss
Bergen in the process: but Love
Story Part III cannot be far away
to provide him with a replacement. ment.

It's typical of Hollywood's prowess with the rose colered lens that it makes real-life stories appear just as sentimental or fantastic as fictional ones. Buddy Holly was a real person. Some of you may even rememher him: a lean, dark, improbably bespectacled Rock'n Roll singer whose voice combined the deep Presley engine-throb with a flair for plangent lyricism. He wrote songs like Peggy Sue, Oh Boy, and That'll Be The Day; he had a tragic early death in an air crash at the age of 22; and if you don't remember him by now. or are too young to do so, I shan't go on.

The Buddy Holly Story has

turned-music-workshop to be-come the idols of New York; how Buddy parted company with the group when his fame outstripped theirs; how Buddy preferred domestic peace with his wife; Maria Elena, to nation-wide tours; these things you will learn. You will not learn why Buddy Holly wrote the music he did, what is distinctive or characteristic about it for its time (the late 1950s), nor why, it made such a huge popular impact. Steve Bash directs the film as it sleepwalking through a dream-scape composed equally of American Graffiti and American Hot Wax, and the only clear merit is Gary Busey's performance as Holly, a strong, likeable, efferyescent portrait that won this actor a deserved Oscar

an Arab's eye view of the Holy reduced him to a packet of de-Saladin is a noble, gaunt figure-hydrated myth. Just add the head trying to lead his people filmgoer's tears, bring the mix- to salvation. There is probably to the Gate cinema. If you have ture up to lukewarm and leave more truth to this version of to steam for 110 minutes. How history than the conversely

nomination.

symbiosis between his movie the housing problems of poor Buddy Holly and his two-man charvinistic one one learns at roles and his own character and Puerto Ricans, or should he step band. The Crickets rose from school in the West. But the heliefs. this advantage: preferring to spill forth in an effusion of cliche dialogue, cut-price battle scenes and stand-up-and-recite performances.

> If you haven't yet seen Werner Herzog's eerle and hypnotic Nosteratu the Vampure, don't be lured away from the German version still running at the Gate cinema by the dubbed copy opening this week at the Cinecanta. The Gate has had the courage to persevere with Herzog's original-language subtified version, ignoring a potentially wider audience drawn to the catchpenny appeal of vampire films in order to present this movie as its director wanted it.

Herzog fans may find this remoulding of the first ever-Dracula movie (made by Murnau in 1922) a less personal work tha ntheir favourite films by the Saladin, an Egyptian film in German director — Aguirre, wide scren and colour, offers Wrath of God and Kaspar Hauser -but Nosferatu has an authentic Land Crusades. Richard the visionary flavour and a pair of Lionheart is a plump conspirative riveting performances (Klaus torial redbeard. Philip of Kinski as the rat-toothed vamples is an effecte dandy. And pire, nd Isabelle Adjani as the Callylia for a constant former for the constant former for the constant former and the constant former for the constant former for the constant for the constant former for the constant for th pire, nd Isabelle Adjani as the self-sacrificing heroine). If you haven't seen it, hurtle instantly seen it, hurtle thither to see it again.

Maazel's

Festival Hall

Two fundamental objections apart, the penultimate concert on Wednesday of the Philhar-monia's complete survey of the Mabler symphonies under the baton of Lorin Mazzei was a characteristicaly tough and invigorating event.

The symphony was the sixth; and the objections are surpris-ing, in view of Maazel's usually otherwise very precise and rigorous view of botht he letter and the spirit of Mahler's scores. Any account of Mahler's Sixth that ignores the contrast of tempi between the opening movement and the scherzo which follows it loses sight of which follows it loses sight of one of the essences of the symphony. For quick return and cheap effect, the conductor can open the Sixth with a brisk pounding allegro, ignoring the important ma non troppo qualification. He must then, instead of leading his forces into the savage, up-tempo caricature which Mahler unleashes, use instead the same basic pulse for instead the same basic pulse for the scherzo, exchanging crotchet for quaver — anything faster would make nonsense of the scherzo's texture and line. He can, in fact, play both the open-ing movement and the scherzo at the same speed: but it is dramatically and musically inept, and it is wrong.

The tempi Mazzel chose for the two movements lay within a metronome point of each other, but he disguised the bluntness of the effect by placing the slow movement between them — an ordering which was neither Mahler's first, nor his. last, preference, but only a brief aberration of 1900 quickly, and firmly, corrected. Perhaps Maazel, and other Mahlerians too, like to hear the Sixth thus rejigged: but to my ears it is a strange, and to the spirit of the work all but mortal. distortion.

Fundamental (which as far as the tempo of the first movement is concerned can be argued on every .. page of the score); but there was room still for excitement. It was fine to hear the first movement properly weighted with its exposition repeat though the schwungvoil theme, because of the chosen relative; balance of tempi, emerged slower, not slightly faster, than ... the rest. The brass were on ... bright and pungent form: tur- , bulent at the andante's climax, ... cut with raw energy in the scherzo. The finale was impressive: grandly shaped, a nightmare canvas powerfully drawn. Only the cowbells, seemingly amplified from behind the scenes, sounded exactly as they should not. — like a clatter of some hige washing in histage.

Thomas Igloi

In my review yesterday of Tuesday evening's concert at the Elizabeth Hall dedicated to the memory of the cellist Thomas Igioi. I unwittingly gave cur-rency to the mistaken belief that Igloi's tragic death three years :.! ago at the age of 29 was the result of suicide. Igloi had in fact been suffering from an unsuspected heart condition, _ and died in his sleep from a beart attack. D.G. beart attack.



Ryan O'Neal and Candice Beren in "Oliver's Story"

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Cowie's new opera by DAVID MURRAY

On Sunday, the day of the paid for by some loss of involve-EEC poll in Germany, the ment (and of word-audibility). Kassel Staatstheater gave the The hallowed elements of the first performance of an opera by sparse enough at home, and rare indeed abroad: and neither the form nor the idiom of Edward Cowie's Commedia aligns it with any Continental current. As it happened (and not by deliberate decision) the whole production team-conductor, producer, set British, as also the one guest soloist among the resident international cast. Though Cowie's publishers were not prepared to undertake this score his Piano Concerto and his 2nd String Quartet had attracted sympathetic attention in Kassel, and the funds needed for preparing the parts were raised locally.

The idea for Commedia grew from Cowie's fascination with the antique commedia dell'artc, dating from some university experiments in re-creating the genre. The archetypal characters are Harlequin, Columbine and Brighella, old Pantalone and the Dottore, with the plausible addition of a Contessa and her maid. The plot echoes the stock situations around which commedia troupes used to improvise; the timeless personae, with all the men in half-masks, are identified by their traditional costumes (charmingly realised by Saily Gardner). Cowie intended that a small stage thorus should represent the rest of the troupe, doing the scenesetting, commenting on the action and miming the lazzi interludes, reinforced by another chorus in the orchestrapit. In the event, prudence dictated that both choruses should be lodged safely in the pit, with the on-stage miming

commedia are placed wilfully an Englishman born in the within a wholly foreign frame, middle of the last World War. and it is this that defines the Premières of British operas are nature of the opera. Cowie is a lover of nature, of the chang-ing seasons and, above all, of birds: ornithology has often invaded his scores before now, and hearing Commedia is something like spending an evening in an aviary. The orchestra (classical size with added brass costume designers-was and percussion) caws and twitters, tite chorus chirrups, and Columbine -- discovered first in a bird's nest - warbles a continual descant: she is as much a Papagena as a Zerbinetta. In many passages Cowie assumes a colourable buffo manner, but it pales amid the irridescent Naturiante, a matter no less of feeling than of onomatopoeia.

The quick-witted verve and topicality of the old commedia.

dell'arte are diminished to vanishing-point in Commedia. Cowie got from David Starsmeare presumably just the libretto he wanted; the comic intrigues which were the mainstays of the original form are here rudimentary and limp, and instead we have mortality viewed from the extra human perspective of a bee-loud glade. The four acts re-enact the seasons. Spring: Harlequin comes upon his avian Columbine, bears her off at her own request to the city, and is there driven by penury to give her up to the miser Pantalone. Summer: Pantalone seeks vainly to revive his virility through the Dottore's arts, and Columbine passes into the hands of the man-bating old Contessa. Autumn: the harvest is celebrated. Harlequin tricks Pantalone into giving him the money with which he might with which he might Columbine, and the icft to the Staatstheater ballet Dottore muses wisely. Winter company; musical security was the Contessa, with malevolent

intent, invites everyone to Marriage of Tippett that Com-dinner at the solstice. Brighella media most closely recells all the troupe-leader and master of all the action-appears as a supernatural judge, cuts the strings of all his human puppets, and sweeps the eternalfeminine Columbine away to begin the cycle again.

Thus summarised, the plot may not sound cogent. It isn't, nor is it funny—at no point did the sudience laugh. Undersupplied with intrigues, the characters are not intriguing, if Cowie hoped that operatic singers imprisoned in halfmasks would supply a comic third dimension by experi physical mime, he was grossly optimistic. Yet the music has a sharper dramatic bite than the text ever manages, and Michael Geliot's mas-terly production finds a shape and a point at even the least consequent moments. In John Gunter's pretty settings, which have a heraldic economy, endlessly resourceful skill—his effits have rarely been put to such welcome use. Wisely he has seved the peculiarly has seved the peculiarly personal strands of the work— lyrical contemplative, tenderly detached, a bit somnambulistic etached, a bit sommandulatic
—and kept them at the centre.

If he could not inspire his
principals with the physical
wit that belongs to a
craft quite different from
theirs, he has at least extracted

a high-definition performance from eteryone. The result is that the calmly death-dealing climax, wildly under-motivated though it is carries a genuine pathos: the opera is not, one realises, about nothing. It is greatly assisted by the powerful authority of nothing it is greatly assisted by pressed upon everyone arriving the powerful authority of for this performance. The devo-walker Egati as Brighella, a tion and expertise manifest in role which acquires the it must argue for the strength mysterious dimensions of Wag- of the present team; Cowie ner's wanderer, Strauss's unseen could hardly have hoped that Kelkohad. Tippett's Sosostris, his work would be so lovingly and in fact it is the Midsummer realised.

media most closely recalls, alike in its amateurish dramatic construction and in its rapt, lyrical pantheism. Cowie's composing is increasingly tonal, however, permissive; his vocal writing falls easily into familiar patterns, though it is neatly adjusted to his various characters, and it is much less vividly expressive than his orchestral (and orchestral choral) visions. Rene Claassen (Harlequin), Anka Sindik (Columbine) and Rene Dieter Honig (Pantalone) all made it sound shapely and pur poseful. Roderic Keating made something of the confusedly conceived Dottore, and Anna Maragaki's Contessa was a ripe, telling study, triumphantly eschewing any attempt at commedia pastiche.

In the hands of James Lock

hart, the score had a fine trans-lucent glow, despite some provisional sounds from the reduced strings. By the end, the audience who remained scemed preponderantly enthusiastic The couple in front of me who had winced - sharply at Brighella's early observation that the audience had arrived and were nicely arranged "like money in the bank" did not return after the interval, like many others in their part of the house. Irrelevant local stresses may have accounted for different factions; the incoming Intendant of the Staatstheater, Giancarlo del Monaco (son of the tenor), sime to dispense with the services of many long-established members of the company, arousing strong reactions which were reflected in leaflets

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FINANCIAL TIMES

Friday June 15 1979

Reinforcing the market

threat; it is a fact in some places. A well-known maker of construction equipment is to close a plant, and one of our leading electronic companies is reported to have said that its cash flow precludes any other of improved wages for the time being. At miners are claiming £140 a week as a basic wage, and the London Tube drivers are at present in-tending to start their first strike in more than 50 years.

There is no need to know any-thing about the merits of these powers disputes to observe on fact. The miners and the Tube drivers work for monoplies in vital industries, and their services would certainly be required (though perhaps in slightly smaller numbers) after a strke. The manufacturing companies are struggling to survive against home and foreign competition.

Tight money, especially when it is achieved by a credit squeeze rather than by fiscal restraint, thus driving up interest rates and the exchange rate, bears especially harshly on firms competing directly with foreign rivals, and especially those with large working capital requirements. The determined operation of cash limits applies somewhat analogous disciplines in the Government services. Between these extremes is a large expanse of relatively sheltered activities, more or less disciplined by their own in-ternal competition.

Legislation

This means that competition policy, in its broadest sense, is as vital as monetary restraint remarked, any actor in the and a proper fiscal-monetary economy will avoid the pains balance in achieving an even pressure of anti-inflationary policy across the economy. Failing such a policy, monetary discipline, like all other antiinflation policies, will be least effective against those who normally display the most blatantly cost-inflationary attitudes, and bear too heavily on the exposed competitive sectors which are also our best hope for future

at least so far as subject- fair.

trade union abuses.

However, the content of these measures does not at present look at all impressive. The OFT look at all impressive. The OFT will have the powe rto initiate investigations of pricing abuses arising from "limited competition"—a concept borrowed, ironically, from Labour's Green Paper outlining enhanced powers for the Price Commission; but it is not clear what sion: but it is not clear what powers these bodies will have. This does not look like an effective substitute for market

The proposed trade union legislation, which should not in case be rushed through hastily in present circumstances is directed to picketing abuses, some morally offensive aspects of the closed shop, and to the wider use of secret ballots. These are worthy objectives, but hardly central to the inflation problem.

Monopolies

What will be required is a determined attack on abuses of market power, whether they arise in natural monopolies in the private or public sector, from commercial groupings or restrictive practices, or from the kind of quasi-monopoly power which national trade fragmented and competitive industry such as road haulage. This is an uphill and demanding tssk-for as Adam Smith of competition if he can: and it is not surprising that successive government have found it easier, whatever their initial convictions, to fall back on imposed policies for prices and

rowth. is far from perfect, it will make
The Government's timetable its whole policy both more shows a sense of this urgency credible, and more convincingly

T IMMY CARTER has gone abroad, not for the first time, at a moment of low domestic fortune, and not for the first time it has to be pointed out that the connection between the two is coincidental rather than casual. Four days MONETARY discipline is not a headings are concerned. A Bill threat; it is a fact in some places, a giving enhanced powers to the A well-known maker of con-Monopolies Commission and the of carefully choreographed sum-mitry in Vienna with President office of Fair Trading is to be tabled before the Whitsun revess. The Chancellor has also Leonid Brezhnev of the Soviet Union are taking place because both sides feel the need for dis-cussions, and have to sign the Strategic Arms Limitation spoken of an early introduction Strategic Arms Limitation Agreement—not because the American President requires of legislation to check some

foreign adventure to rescue a sinking political ship at home. U.S. officials are going to in-ordinate lengths to stress that no rabbits will be pulled out of the Viennese hat, such as major movement on European troop reductions or limitations on satellite warfare, and that exchanges on such regional prob-lems as the Middle East and Africa are unlikely to produce instant results.

Vienna, it is emphasised, is the first fully fledged American-Russian summit in 4½ years and may be the last involving the ailing Mr. Brezhnev. It is hoped that Mr. Brezhnev's health and inclination will dissuade him from browbeating Mr. Carter, as Nikita Kruschev tried to broweat John Kennedy 18 years ago. Such a confrontation would inevitably be portrayed in the U.S. as yet another snub to the president. But in so far as preplanning can ensure, the U.S. Administration believes that Vienna is taking place on its own merits and is not influenced by how it will play in Peoria, Illinois. That said, Mr. Carter is going

to meet the Russian leader at a time of exceptional domestic difficulty for his foreign policy union pressure can create in a initiatives. He is confronted with a strong Senate challenge to his decision to maintain sanctions against Rhodesia, to his unilateral abrogation of the defence treaty with Taiwan, and, in the House of Representatives, to the implementing legislation covering the transfer to Panama of ownership of the Panama Canal. On the eve of his departure, one of the Senate's most influential members. Mr. Henry "Scoop" determination, and implicitly acknowledging that the market, especially as it exists in Beitein

Any attempt to diagnose America's confusion about its own world role and its apparent lack of confidence in the ability of its president to steer the right course has to begin with what has now become a commonplace — but accurate statement. The U.S. is going through a period of intense

of the kind which probably stops short of sending in the marines. Mr. Carter used to say in the 1976 campaign that American policies should reflect the "goodness" of the people, but the people at present do not feel "good" about either policies or government.

That is in part reflected in the fashionable tide of conservatism which is not merely reviving the tired right wing but is attracting, to a marked degree, the younger, better educated newly affluent American. This movement is principally a noticeable degree of

indifference in the country to events outside its borders, unless they grossly intrude. When they do, quick and deci-sive solutions are expected, and invariably those which reassert American interests It is a strange environment

which, together with the shift of power away from the presibefore Mr. Carter took office. has in effect created a power vacuum. Mr. Carter, who appreciates subtleties better than most, but has difficulty conveying his understanding, does not appear to have filled it. There is no lack of presidential aspirants from both political parties who claim they have the answer, but their real appeal yet to be tested in fire of the campaign In the meanwhile some rather unlikely individuals, mostly, but not exclusively, from the new Right, have been given the freedom to manoeuvre politically to an extent which not only poses challenges to presidential authority but gives cause to wonder how many Secretaries of State the U.S. really has.

Running

Take Senator Jesse Helms. The balding, owlish North Carolinian is of a recognisable type-the sort of ultra-conservative the South used to throw up every now and then and dent whose opposition to any foreign regime with an ideology to the left of Genghis Khan was absolute. The genus used to be containable, perhaps by the simple expedient of installing an extra military base in his home constituency. A Lyndon Johnson or Sam Rayburn, in their beyday, would have had no trouble. But Mr. Helms, deviating very little from type, is now running in the political vacuum. Even if—as now looks likely— Mr. Carter can hold off the

ceding decade. There is an The Democratic leadership in awareness of sorts that the the Senate, which ought to be world has become more inter- a source of strength to the Presidependent and even equal, and dent, is scared stiff of Senator that the U.S. can no longer cut Helms. The majority Leader, ship with a pretty fair progresa decisive swath through the Senator Robert Byrd, is an art-global scene as it once did. But ful manager, but no leader from this is matched by a backward the front. The drumbeat of Mr. looking craving for old Helms's onslaught has him con-

attack in Congress on maintain-

ing Rhodesian sanctions, it may

stantly on the defensive by trimming and wavering, and -could hinder necessary comintra-committee disputes with munication.
Republicans and Democrats Senator Certainly Mr. Helms is a. stranger to the conventional

Carter's precarious path

to the Summit

By JUREK MARTIN, U.S. Editor, in Washington

Senator Church

He has trimmed and wavered

partisan political support.

In the House, Mr. Helms has

a counterpart in congressman

may well yet succeed in so

the American taxpayer "-have

powerful appeal in the current

political climate. There is little

to be gained from him by

speaking of America's broader

national commitments.

Carter's considerable Edward Kennedy

basic purpose is to ensure that ment. Moreover the threatened Brezhnev: the U.S., by hook or by crook, band of Senate liberals, an retains the canal, but it is unnusually high proportion of interesting that the main argu-whom are up for re-election ment he has used—that the next year, look to Mr. Kennedy. treaties constitute "injustice to not to Mr. Carter, for both leadership and succour.

hemispheric policies and inter-

on the President a major set-back on the eve of the sort of seen. If the reports from Idaho international summit meeting, a practice which traditionally has practice which traditionally has trouble being re-elected next None the less, Mr. Jackson has elicited at least temporary hi- year against an ultra-conserva- been a man who, by and large, tive challenge, that quality may remain under wraps for a time.

Mr. Carter's most dependable

Mr. Carter's most dependable George Hansen from Idaho, who foreign affairs ally with real foray. Both the vehemence and clout on Capitol Hill is the very timing, therefore, of his speech altering the Panama Canal man whom every poll shows this week, hardly softened by

Senator Kennedy

Disliked in the White House

from foreign policy achievement of Massachussetts. On almost every only a year ago. Mr. Hansen substantive foreign policy issue, more or less admits that his the two men are in broad agreethe Senator intended President to carry to

The question is how much influence Mr. Kennedy is prepared to exert on the President's behalf on critical foreign policy issues. If—and it is a ational commitments.

huge if, for Mr. Carter is not as

Certainly it is fear of the politically weak in electoral through a period of intense only be at a cost which will hurt grassroots which has clearly terms as he appears today—the introspection, entirely natural him on other issues, such as given the events of the pre- Salt. Foreign Relations committee, the first forum next month for subjects, even though their Mr. Carter has often been discussion of the Salt treaties. differences of opinion are assailed for having failed to Mr. Church took his chairmanship with a pretty fair progression with a pretty fair progression. The fact develop bipartisan consensus that the White House staff does behind his foreign policy moves, the majority of which have Foreign Relations Committee, from the President on all

Senator Jackson's interven-

tion is of a different kind. His reservation about Salt and detente have long been known. treaties as to render them uncould wrest from him the the fact that he included Presidacceptable to Panama—thus, at Democratic Party's presidential ents Nixon and Ford with Mr. one fell swoop, undoing Presi- nomination next year, Senator Carter in his denunctation, is significant. His aides said after-

> Actually there are signs, to judge by a recent article in Pravda on American politics, that the Russians, like the Europeans; are beginning to appreciate the complexities that shape foreign policy in the U.S. Senator Jackson's strictures, therefore, may even be taken with a pinch of salt in the Kremlin, much as they are seen in the White House, perhaps fondly, as being too strident to influence the body politic as it tries to determine the right Soviet Union.

looks that he turned precisely this trick in such controversial endeavours as the Panama Canal treaties a year ago, the Middle East arms sales package and when ending the Turkish

Senator Helms

He scares the leadership

arms embargo.

Moreover, the more jingoistic of his opponents notwithstanding, nobody seriously contends that Mr. Carter has done the unpopular thing by declining to commit American troops to overseas operations. Majority opinion in the U.S. would probably be uneasy if that country were to embark on a Soviet Union, replete with wards that it was a message that military risk.

Even relative hardliners, such as Senator Robert Dolc, the Kansas Republican with renewed presidential ambitions. have said that opposition to Salt Two will not suffice as a principal criterion of acceptability in next year's electoral battles. As he implied, the contests will be fought on domestic, primarily economic,

It is a perspective which has a bearing on the Vienna Summit. Mr. Carter is approaching it with neither high nor low hopes because he. like Mr. Dole, senses his country's hopes are somewhere in the middle ground to the extent they exist at all. As the Salt debate intensifies later this year, the President can only hope that such moderate sive reputation, a good knownot like Mr. Kennedy—neither the majority of which have assessments prevail over those ledge of foreign affairs and apparently does the President themselves been essentially offered from the flanks, which high expectations. But his first judging by his "I'll whip his moderate in concept. The criti-have been making so much of six months have been marked ass" comment of the other night cism is not entirely fair: it over- the running recently.



RECRIMINATIONS already begun inside the Italian Communist Party over its setback in the country's general elections just under two weeks ago. The outcome of the post mortem that is now starting could have important consequences not only for the party's future political strategy but also for the country's economic and social stability. It is hardly surprising that the Italian Communists should feel that the time has come for a major re-assessment of the course they have been pursuing, hitherto with remarkable success. The results of the national elections, in which the Communists lost 4 per cent of the poll for the Chamber of Deputies, represented their first major rebuff from the electorate in 30 years. It was particularly galling in that it was the Communists who had themselves provoked the

Grass roots

If they felt obliged to create yet another Government crisis, at a time when few people in Italy wanted new elections, it was because they found them-selves in an increasingly imposting the worst of both worlds from the informal arrangement under which they kept the minority Christian Democrat Party of Signor Giulio Andreotti in power, without direct partici-pation in Government. The association with the Christian Democrats was losing them grass roots support, but they were not gaining any real influence over Government decisions in compensation. decisions Hence the appeal to the electorate, in the hope of an in-Communist vote that could be interpreted as a popular demand that they should be brought fully into

The fact that this appeal failed makes it virtually certain that they will now return to outright opposition to the Christian Democrats. They have, indeed, been making fairly clearly sig-nals to this effect in the past few in the party would prefer. But they have become tarred with it is bound to raise questions this self-same brush. In oppoover the whole doctrine of the historic compromise." as advorated by Signor Enrico Berlin-cover some of their lost support guer, the party leader, and among the young, the unions indeed over the position of Sig- and the far Left. They should nor Berlinguer himself. There not be written off because of will be those who argue that the one electoral setback.

"historic compromise," the bid to ereer power in alliance with the country's other main political forces, has failed. The conclusion that the more militant Left-wing of the Party will draw is that the time has come to withdraw into a position of much more hard-line opposition.

Powerful cards

It is the precise role that the party should play in opposition that is at the centre of the internal debate which is now starting. It is not that the Italian Communists are likely to return to the Stalinist fold. But their links with organised labour give them powerful cards to play if they want to make the country. virtually ungovernable under the Christian Democrats. That is why the Christian Democrats would probably still, ideally, like to resuscitate the former unofficial arrangement with the Communists—a formula, however, that must be out of the question so long as the Christian Democrats maintain their refusal to admit Communists to the Cabinet.

The spotlight thus falls on the four smaller parties -Socialists, Republicans, Social Democrats and Liberals-whose success at the polls was one of the more striking features of the elections. Together they took 18.5 per cent of the vote. They are already indicating that they feel they are in a position to drive a hard bargain with the Christian Democrats in re-turn for joining a governing coalition. They have presum-ably learned the lesson of the Communists' experience that it is counter-productive to provide a Parliamentary prop for the Christian Democrats without influencing Government policy.

If such a coalition is formed, however, it is essential that the Christian Democrats should use the breathing space they have won to reform the country's bureaucracy and the establish-ment's traditional patronage system. If the Communists have lost support, it is partly becaue



MEN AND MATTERS

"Perhaps he shouldn't have given them the incentive of so much ta xrelief on higher

distrustful of this new, imper-sonal element in their lives.

into the realm of unreality. Despite the burnt fingers of 1973, when the market took a dive, institutions are now snapinterested, says Judd, in manag- Up a notch ing the farms themselves, preping up 20 per cent of all farmferring lease-back arrangements. land that comes on the market. Expertise is at a premium and These in turn help tenants to find the typical £600-an-acre they now need for machinery, stock Remnant is especially pleased at securing "a real pro"—whose appointment was announced yesand seed. terday-to advise his group on future land investments which Farmers appear to be a little

Remnant says will run into "several millions." although the new president of the National Farmers Union, Richard Butler, admits some of the funds have gone out of their way to adopt a human face. The pro in question is a recently retired senior partner of City estate agents Strutt and Parker, George Judd. Himself a tenant farmer in Essex. Judd is also insistent that the funds are good for farming. "It's no longer attractive for the private land-Jumbo party by letting. And he has no relief on Capital Transfer Tax. Instileading businessmen, farmers, politicians and nuclear energy

remark was the farming com-munity, whose interests, Rem-

nant assured me, were being

well-served by the growing eagerness of fund managers to

acquire agricultural land. The

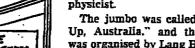
subject has understandably cap-tured the third baron's own

energy and enthusiasm: the £1.5m Touche, Remnant has so far spent on buying chunks of

Essex and East Anglia have more than doubled in value as

prices edge further and further

tutions aren't people, and they don't die." This last factor is generally seen as one of the major reasons for the decline of the private landlord, and the advance of the institutions into our meadows. which included a mid-air lecture of the institutions into our meadows.



The jumbo was called "Wake deposits in Western Australia in As TV Eye showed on 1952. But Hancock could not Independent Television last make the flight—on his 70th birthday—because of a virus the North legally from the done by Gina, his 25-year-old daughter and heir.

Teller was also unable to be there in person, but his lecture came across loud and clear by radio telephone from the United

Overnight, the executives camped near a lonely Air Force base, 800 miles north of Perth. A journalist with the party said it seemed much stimulated by the "desert air." Next morning, there was a long queue at the only cold water tap, to freshen up before hte seven-hour flight back to Sydney.

This week's tax cuts will give an extra bonus to a body of men who are already envied in the City — the chief executives of consortium and international merchant banks. Their salaries are in some cases well above £50,000 a year.

Although resident in Britain, they generally are on short con-tracts, and until they have lived here for nine years they are government. "The late frosts kill assessed on £25.000, they will be assessed on £25.000. about £3,000 a year better off.

One British banker said to me More than 250 of Australia's feel rather jealous of them. On the other hand, their lives can be more unpredictable than ours." He might easily have enthusiasts are regaining their bearings after a 6,000-mile jaunt around the dominion in a ours." He might easily have been thinking of one senior director who according to his jumbo jet. They paid a bargain price of £270 for the pleasure bank's latest annual report is paid £61,900 — the London head of the Iran Overseas Investment

by Dr. Edward Teller, the atomic Rent-a-pig

The pig-runners of Northern Up, Australia." and the jaunt was organised by Lang Hancock, unnity started making smugthe iron ore millionaire who dis- gling extra profitable with the covered the massive Pilbara payment of subsidies.

infection; so the honours were South and collect a £7 a head subsidy on the way. To make the return trip past the Customs post would cost a similar levy, so the animals are taken back via an unpatrolled country lane, or walked across the fields into the Republic. Then back they go again, through the Customs, collecting another £7.

Some energetic farmers take trip on this piggy-go-round three times in a day.

Furthermore, I learn that some entreprepeurs have latched on to a way of making money out of the carousel with-

out ever leaving home. Rent-a-pig is now big business for at least one farmer in South Armagh. Willing runners without stock of their own can hire pigs from him at £1 a day and take their chances with the rest of their fellow sumgglers, who are estimated to be trotting about 1.000 porkers a day across the frontier.

Uncommon policy

A colleague was talking yester-day to a high official of a foreign government. "The weather's been ghastly," said the official. The late frosts killed off most "That's bad."
"Not at all," said the official.

Think of all those subsidies we won't have to pay." My colleague declines to identify the country in question, but says that it is in Europe, is not in the EEC, and — sur-prisingly — nowhere near the Pyrenees.

Observer_

Chief Executive

for an international group pre-eminent in the design and marketing of marine equipment.

 PROFITABLE DEVELOPMENT of the group is the principal role together with co-ordination of world-wide operations.

• BROADLY BASED experience in the general management of a substantial capital equipment and service business, selling to world markets, is the prime requirement. Familiarity with marioperations would clearly be an adv

 TERMS will be designed to med personal circumstances of those ar earning at least £30,000.

> Write in complete confider to K. R. C. Slater as adviser to the compan

TYZACK & PARTNERS

MANAGEMENT CONSULTANTS io hallam street •, london

12 CHARLOTTE SQ - EDINBURGH

Budget strategy: in place of golf

THE WORD that has been ban-ment goes on, "export volum died about most in the aftermath of the budget is psychology. back by poor competitiveness.

Thus Mr. Denis Healey, the and the upward trend in the former Chancellor of the share of demand met by imports Exchequer, told the House of may continue." And again: "The Commons on Wednesday budget itself is estimated to add about 4 per cent to the retail price index in the third quarter cut income tax and of shifting of this year, leading to a total

of the psychology of the British . that while the budget figures

add up arithmetically, they failed to add up "socially, esychologically, politically and, refore, economically." A similar point was made in

a quite different way by Sir-Geoffrey Howe himself. In his budget speech, the Chancellor asked rhetorically: "Are we not driven to the conclusion that the notions of demand management, expanding public spending and 'fine tuning' of the economy have now been tested almost to destruction?"

In other words, the conventional economic judgments do not apply. Where the Governinent and the Labour opposition filler is on the psychology of the British people. The Gov-ernment thinks that the country might respond to a radical change of direction. The opposition thinks not only that the timing is wrong, but also that the British people are essentially too conservative to respond positively to so radical a challenge

The point about timing is at the financial statement that accompanied the budget to see accompanied the budget to see Government thinking seems to threats may be made in public. that the starting point is not go something like this. There in private union leaders are full ideal. "The prospect," it says, were two reasons for being so of self-doubt. The inquest into "is for economic activity to bold in the first budget. One is what happened last winter still decline slightly over the next that the Tories wished to be has a long way to run, in year or so." The rate of inflation seen immediately carrying out particular, the whole question was already accelerating even their promises. If the timing of the future relationship

- apart from oil - are held to taxes on spending, he him increase of about 16 per cent."
self had always taken account. It is from statements like these It is from statements like these

that Mr. Healey draws his con-clusion that it is only a matter Mr. Healey had said earlier of time before Mrs. Thatcher follows the example of her predecessor, Mr. Heath, and executes a U-turn. "What is the point," he asked, "when oppor-tunism will finally override her obstinacy? In his television broadcast on Wednesday evening he went even further and appeared to forecast an early general election.

Mr. Healey is not alone. Conservatives, too, raise the question of how high inflation and unemployment could be allowed to go before the Government changed direction. It is suggested that somewhere there is a theoretical point—say inflation at an annual rate of 20 per cent. unemployment of over 2m, and both still rising — that would compel second thoughts.

Yet anyone looking for signs of doubt at the highest levels of government is likely to be disappointed. The impression at the moment is that Mrs. Thatcher and the Treasury Ministers would rather fall on their swords than even contem-That goes not just for next.

The point about timing is winter, when there may be portant. One only has to look strikes; it appears to go well

before the application of Tory was not ideal now, there were between the unions and the One of the Government's main come off is anyone's guess. But Not least, there are the cuts look discouraging. The feet that policies. "Moreover," the state- no grounds for believing that it Labour Party still has to be worries on the horizon is the it does seem a factor in the in public expenditure still to Mr. Heath did a U-turn will

liquid and well.

of Business Studies,

Sussex Place, Regent's Park, NW1.

(Lecturer in Finance), London Graduate School

Illogical and

unreasonable

with an urgent matter however, and has to drive to his place of

safety or hazard is involved, then it is possible for him to claim

tax rebate on such travel costs incurred for this at the end of the tax year. While realising the

danger of abuse, I think the practice as it stands is unreasonable and I see no reason why

any poor devil who has by neces-

part of his personal income and subject to PAYE. This seems to

be both illogical and unreason-

Fuel saving

Confederation of British

Road Passenger Transport

the pattern of movement of

Road Passenger Transport. CPT will act as a clearing

A. L Ferguson

Marine Parade,

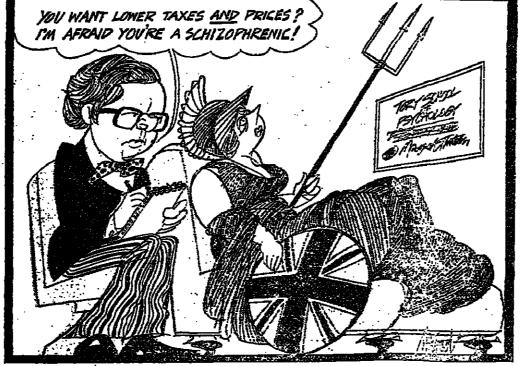
service

From the Secretary.

Dawlish

From Mr. A. Ferguson

Dr. Paul Marsh.



would ever be any better in future. Indeed, the longer radical action was delayed, the future. harder it would be to take.

The second reason is that, the state of the economy apart, the timing is not actually so very bad. After the events of last winter, the unions are unpopular; they may even be demorplate an alternative strategy. alised. There is a good deal of That goes not just for next evidence that they are quarrel-winter, when there may be strikes; it appears to go well beyond.

or do they expect the Labour

asked to support a wholly unjustified union stand. In that case, the Labour movement would be divided if they said no, but it might become ever more unpopular if they said yes. Of course, the unions know this too. It may well be therefore that, for a time at BOC it will not be taken as a least, union militancy has gone marker for other groups of out of season.

Naturally, there will strikes and the threat of strikes.

sorted out. Do the unions want British Oxygen Company, a to become rather less closely company in the private sector identified with a political party which has the kind of virtual monopoly that cannot easily be opposition to support them in broken by telying on imports, every militant action they take? and which has a record of The fear among some Labour politicians is that they might be asked to support a wholly un-Government's attitude is that the settlement this time is entirely up to BOC. If it can afford to pay, well and good. If it cannot, it will have to take the consequences. The hope is that whatever the settlement at

> different circumstances. Whether this strategy will

workers who are in completely

Government's favour that the come. unions are still thinking about Chief Secretary to the Treasury, reductant to contemplate any what went wrong last winter, told the House of Commons on such thing. It is thus quite possible that Wednerday that the cuts so for . Vet there is also a subtle the next winter offensive could amounted only to "a very pre- difference of view, though not be postponed until 1980. By limitary package." He re- a conflict, between Sir Gooffrey

the budget. It is not quite true to say that the Tories have done everything at once. What they have done, in fact, is to prepare the way to do a great deal more next time, and in this sense the budget looks like a very care-

there is very considerable scape. To some tell short of what the official, was different in for further cuts of meaning and plantly for the budget nent April. The increase in VAT for constant increase in VAT, for example will bring in over \$400 in a full year; this year it brings; in slightly less than half of that The full year revenues could allow several pence in the £ to come of income tax.

The proposals in the budget, taken over from the Labour increase revenues to the Exchequer from the North Sea by about £1.Son in the period to 1985. That is on top of North Judged the British psychology?
See revenues which were already rising steadily. There, some Toroes have learned their too, there is sense for further philosophy rather as other

ents in income tax. On a much smaller scale it himself room to roise certain taxes in future. The fact that he that alcohol and tobacco this week does not mean that he will not do it next time. The same may he said about various proposals tion of energy.

Not least, there are the cuts

Reportal Development for restrate, hoodly metches See Routh Joseph's roop- frond attempt at redution.

Time in hand

Thus the next budget too. should be an embitious one, with its Libour predecessor. There is no reason to assume. Mr Juel Barnett, that the effect as yet that the Tories will be meane too outside higher There is also the matter of as yet that the Teries will the Petroleum Revenue Tan, refron from putting their polireferen from potting their poli-cies into effect, and they pro-bably have time in hand. Yet Government, are estimated to at some stone one comes book inevables to these questions:

nemic learned their catechism. There is a sort of litery drilled will not have escaped notice into them which says "in order that the Chancellor has left to prove that our policies den't work, you wanted have to make taxes in future. The fact that he that afternative stratenes did not raise the duties on world work better." After the years of relative failure, the Government is convinced that the alternative strategies are dead-best and dead-end. That for more taxes on the consump-tion of energy. why it is determined to 20 its own way even if the first result

Mr. John Riffen, the make Mrs. Thatcher yet more

then, however, a great many other factors could have changed.

The that one returns to A temporary saving of 2145m dillons in which economic from a four month deforment arowth can take place, even if of payment of approved claims. It is sing in comme backet, the part record of the part rec the next round of tay only could be laten simply as a conven-

that rudes comme greating the out Marrower, he said a real of the fid he did not rearest the prospect in any way, indeed in a factor interview he according to the context of the context

That is the liberatura approach Mr. Binen believe in ent in tax well the policies work, and has said public expend time for their correctly. 93% sake became they augusts the pewer or the state and not because they will create 4 new British copylide of competing with France, Germany and John of the pychological point in Billion mey be right It is no to the United people by male of the fire cuts what they will. Some will take all intro-of them to ext. Ander and to make more money, and some will not. It may not be the in mework of an economic paraele. but the chance of direction was worth picking consticles. That is the best intellectual case of all for the Budget.

Malcolm Ru herf

Letters to the Editor

Haphazard game

From Mr. S. Wilson Sir.—Again the City has been the scene of a rare old struggle for Covernment stock issued by

the Bank of England. This time the Bank's official representative did the handing out and the battle took place on the floor of the Stock Exchange

Government broker, the allocation of stock once out of his hands turned into a haphazard game of change.

game of chance. The Bank of England has already taken steps to ensure that the issue of stock by appli-cation has been made more orderly-could it perhaps now turn its attention to the issuing procedure followed in the mar-

ket place. Simon Wilson, 27, Juer Street, SW11.

Going to market

Sir.—In an interesting article, Lex (June 9) claims that share prices normally dip sharply when rights issues are announced; that subsequent price weakness is likely because of the increase in shares; that finance directors try to time issues to coincide with a high rating for their shares; and that based on recent experience, this is all too likely to be bad timing for the shareholders.

for the shareholders.

These are serious claims. If they are true, they suggest that the Stock Exchange is an inefficient and illiquid market as a provider of funds. The impression given is that the market reacts with alarm and dismay to the news of an issue; that the additional supply of a single any poor nevn who has by necessity to make a second journey to work out of normal working hours, should have to have the cost of doing this included as the additional supply of a single company's shares causes serious market indigestion leading to significant price falls; that finance directors attempt to fool new shareholders; and that investors are consistently over optimistic in their assessment of the prospects for companies

amouncing rights issues.

Leaving aside the past year, these claims are not borne out by the historical record. A recent study examined all rights issues made on the London mar-ket between 1962 and 1975 (over 1,000 issues in all). This trudy found that, on average, ces fell by only about a half reent when the issue was

unced. Furthermore, price rements on both the incement and excights were completely unrelated glamount of money raised.

The is little evidence of any and an angular completely unrelated glamount of money raised.

10 5.00

nally better than the the Confederation of British things really figures Lex quotes house for members of the coach even largest issues industry in an attempt to January 1978 and reduce the number of empty
This group of runs — and make the most of
ignificantly under-their limited supplies of derv.

market in terms — It is in the national interest marger in terms in all operators to conserve interior measured for all operators to conserve before the an-energy and, if they have a one at this behaviour companies made In average, their

this behaviour way hiring, they can use the voical During direct telephone line to the ninpames made CPT clearing house. We will try to find a party to travel on the return leg of the journey man 4 per cent. and fill the empty seats on the

appointing results. While this become more scarce and costly aspirant is true, it may also be a reflection the future. It is our response articles in local government are tion of the recent poor performto to the plea by the Secretary of a case in point. High local ance of large companies as a State for Energy for consumers government earnings have whole, irrespective of whether to cut oil consumption at once. they have made rights issues. We in turn look for the fullest none of the sense of public duty but whatever the reasons, it is, consideration from the Government—and the oil companies the Town Clerk (usually a — in maintaining essential solicitor) and his staff. They are as Lex very fairly points out. inappropriate to generalise from this small sample of seven. Indeed, from all of the evidence public transport services with a based on large samples, it is quite clear that companies with worthwhile projects should not fuel allocation in this transport sector.

Derrick Rossiter Confederation of British Road shun rights issues for fear of

Representation

of the people

From Mr. A. Beeron Sir,—Why is it that everyone, including the admirable David Steel, refers to our antiquated and undemocratic voting system as "first past the post"? It must be to give it some semblance of respectability—sub-Sir, — While the Inland Revenue may be exacting, that consciously suggesting that the "post" is 50 per cent of the votes cast. In reality the "post" august body is rarely unreasonable. There can be no question not exist, as the person that when an employee travels with the most votes is elected

to work, he or she foots the bill for so doing. When an employee is called from his bed to deal regardless of how few he or she may get. The reason why the Conservative and Labour parties persist with our unfair system for work, is appears that if the indi-Westminster is simply because vidual claims any mileage allow-ance then that amount has to be it gives them an alternate share of absolute power. Hence our decline over the last 30 years, added to his income for tax purwhile our European partners have had "strong" Govern-Should the individual be involved in an emergency where ments which have reflected the

voters' preferences. The Labour party prides itself on its democracy, the Tories preach about "freedom." Well, let us see a true democratic House of Commons, with "freedom" for electors to be represented by people of their

Ashleigh, 1, King Edward Road,

Proper levels of pay

Legal Association.

Sir,—I do not dissent from the view of Mr. G. E. Daniel, Treasurer of Nottinghamshire County Council (June 12), that Civil Servants and local government officers, among others, should receive "a proper level of pay" but this leaves open the question of what that level should be for senior and junior Sir,—Mr. Peter Brennan's letter of June 9, referring to staff alike. The National and Local Government Association is reported to be empty and fully laden goods claiming a minimum wage of stitute evidence of any empty and fully lawer goods chaining a minimum wage of indigestion caused by vehicles, prompts me to £60 per week for, inter alios, conal supply. In the describe the "Fuel Saver" "novice typists," while the issue, share service for coaches which is to advertising in newspapers and irmance was, if any he launched next Monday by journals demonstrates all too clearly the degree of overspending by local government in recruiting staff. Salaries (including fringe benefits) are often far too high in relation to the experience demanded of applicants, and the work load

individual. The result of local government free spending over many years has been threefold. Many private sector employers competing for staff cannot match salaries and other inducements Offered by local government and this makes recruitment difficult and leads to dissatisfaction amongst employees. Solicitors in nome a per cent. and all the empty seats of the final the poor coach.

I that the poor coach.

I that the poor coach.

I this group of This is a sensible way to amongst employees. Solicitors in private practice are particularly hard bit in this regard. The companions of the present absurdly high wages offered to

and responsibility carried by the

UK: Sir Geoffrey Howe, Chancellor of the Exchequer, addresses London Chamber of Commerce and Industry annual solicitors seeking lunch, Guildhall, Sir Keith Joseph, Industry Secretary, visits shipyards and factories in Scotland. Prime Minister Andreotti of Italy visits London for talks and working lunch with Mrs. working lunch Margaret Thatcher.

Crown Agents publish appual there for the high salary and report and accounts.

Esse:: County Show opens,
Chelmsford (to June 16). the relatively easy life, with a pension to follow. As a consequence of the lowered level Overseas: President Carter and competence, responsibility and concern of many local gov-

'closed shop" mentality which important posts from those outempire building is rife, staffing levels increase unnecessarily and ratepayers (and taxpayers too, through central government grants, etc.) foot the ever increasing bill. I shall believe in Mr. Daniel's

ernment employees, and the

for higher solaries for chief ers when I see that they recognise the true position and will strongly urge their employ-ing authorities to take the necessary steps to remedy of bareaucracy.

29. Church Road. Royal Tunbriage Wells, Kent.

Manifesto Budget

From Mr. P. Minton Sir.—One does not expect such a facile half truth from the Financial Times as appeared in your leader "Manifesto Bedget" (June 13). Six weeks

ago the country did not vote for a radical change of direction-a proportion of the population did so, but the majority of those who voted did so against such a change! As a Liberal candidate I sup-

ported the party's policy of a switch from direct to indirect taxation. This change, however, was coupled to a slower rate of shift than now proposed with the people at the bottom of the income pile getting the first benefits of income tax reductions. In addition, our pro-gramme was geared to necessary restraints on prices and incomes to ensure that the division of the "economic cake " was a just one.

I have no doubt that the Chancellor of the Exchequer, well intentioned as he may be, will by early next year be desperately trying to foist a "voluntary" incomes policy upon the country-as did the Exchequer, and failing as the miserably. Peter K. Minton, Underwood,

Whitchurch, Reading. Freedom of

belief From Mr. B. Adkins.

Sir, - Way on earth should Mr. Harold Borrott (Letters, June 7) or anyone else have to prove to an industrial Tribunal that he believes in God in order to get permission not to join a trade union? And by what pretention to spiritual authority does the said Industrial Tri-bunal claim to know whether or not such a person's religious

Guarcoed Farm, Lampeter,

Today's Events in PARLIAMENTARY BUSINESS

President Brezhnev meet in Vienna to sign SALT II, and for three-day summit meeting. Airlines flying DC-10 pirerait

meet in Zurich to discuss Indian Prime Minister Moraryi Desai on second day of Polish

OFFICIAL STATISTICS

(April-provisional).

Final dividends: Estates and

COMPANY RESULTS

Interim liqurest Tomkinsens

COMPANY MEETINGS Aliebone, 9 Station Road, House of Commons: Debate on

Kottering, Northantse 12. 1. J. CAP price proposals, 1979-80, and related EEC documents. Dewburst, Royal Station Hotel, York, 12. E.C. Cases, Forest Road, Tallwell, Cardiff, 12. Firmin, Globe Works, New Town Final dividends: Estates and Azency Holdings. Ferguson Industrial Holdings. Military. Hall, Hatel Rossell, Bussell Pilkington Brothers. Johns Spuare, W. 12. Higgs and Hill, Woldends: Arthur Gunness Son 1215. Roberts, Adlard, 116. and Co. Arthur Lee and Sons. Pall Mall, SW. 12. Silhouette, SA Enker Street, W. 3. Retail prices index (May), dividends: Arthur Guinness Son 12 15. Roberts, Adlard, 216. Index of industrial production and Co. Arthur Lee and Sons. Pall Mall, SW, 12 Silhouette, (April—provisional). Raeburn Investment Trust. 84 Baker Street, W, 3.



The Palomino Vine. Where craft and nature combine to make a classic sherry.

Without the vine there can be no grapes. Without the grapes there can be no sherry. The tending of the vines is therefore the very basis of a classic sherry. Centuries of experience

have developed the craft of viticulture in the hills around Jetez into an art. Grafting. pruning and training the vines all play their part in aiding and . abetting nature to produce the finest sherries. Only in this way can the special character of the native soil and the unique ripening power of the Spanish sun fulfil their promise of classic sherries to come.

Time too has a role to play. For it takes fully three years for



a newly planted vine to produce the Palonino grapes needed. After the grapes have been gathered, pressed, and the fermentation completed, the wines reveal their individual characters and the long process of maturing a classic sherry begins.

The classic fino is very pale in colour and very dry to taste with a subtly delicate bouquet. Luncheon Dry is just such a lino. Serve it chilled to appreciate fully its true character.

The classic amontillado is allowed to mature for longer in the cask, taking on a richer colour and a subtle nurry flavour. Such is the character of Club Amontillado. . .

Luncheon Dry & Club Amontillado. Two classic styles of sherry from Harveys of Bristol.

Lex discusses the sharp post-Budget shakeout in the giltedged and equity markets as the inflationary and interest rate
implications of the Chancellor's measures were absorbed.
Results from English China Clays, British and Commonwealth
Shipping and Chloride are also analysed. ECC achieved a
near £4m pre-tax profit upturn, although this is still some way
short of the peak and Chloride staged a similar gain to £29m.
The shipping group, however, suffered a downturn. Elsewhere,
the chairman of Spillers told shareholders at the annual meeting that the Modern Maid acquisition had suffered a "dis-

Lex discusses the sharp post-Budget shakeout in the gilt-

DIVIDENDS ANNOUNCED

payment payment

Corre Total Total sponding for last

div.

Chloride profit up 16% to reach record £29m

the growth to continue in the current year.

The profit improvement in the year to March 31 was achieved despite increasing competition, overcapacity in the battery industry and disappointing overcapacity in the battery industry and disappointing growth in the world economy, the directors say. All three group regions contributed to the profit

Stated earnings per 25p share are 20.4p (17.6p) before tax and 13.8p against 10.3p net. On a nil basis, earnings are 16p nil basis, earnings are 16p (12.5p). A final dividend of 4.6p lifts the total from 5.1952p to

The group's return on net assets improved from 17.5 per cent to 18.8 per cent. SSAP 15. has been adopted and the 1978 comparative figures have been

Net borrowings rose from £64m at March 31, 1978 to £73m at March 31 this year. The directors note the exceptional price of lead—now more than double hat it was a year ago—a level-industry, which affected volume ling off in capital expenditure and margins, particularly in the and firm control of working automotive area.

The more than doubled profit

		1979 Fm	1978 Em
•	E C-lan	Ç	7411
	Europe Sales	59.1	50.4
•	Batteries-Automotive	33.1	
	Industrial* .	85.0	68.8
	Standby and security	35.3	30.5
	Special products	96.9	. 83.4
	inter-company sales	81.1	63.2
	North America	68.4	57.B
	Overseas:		
	Australasia	25.4	24.3
	Asia	26.8	24.7
	Africa	29.3	29.5
	Alrica Yotal sales	345.1	306.2
	Furnoe profit		
	Batteries—Automotive	3.2	4.4
	(nefugital/* .	78	51
	Standby and security	22	2.1
	Special products	50	i i i
	North America	55	2.2
		3.2	2.2
	Overseas: Australesia		
	Australazia	. ::.	43
	Asia	5:0	4.1
	Africa Operating profit	-3 /	4.7
	Operating profit	35.3	29.7
	Associates share	1.3	0.9
	Interest	7.6	5.5
	Profit before tax	· 29.0	25.1

Profit before tax	29.0 25.1
UK tax	3.2 4.8
Overseas ta*	6.9 5.7
Net profit	18.9 14.5
Mingnites	1.4 1.6
Extraordinary debit	0.2
Invidends	7.8 6.5
Retained	10.1
Including defence. Minorines	
Extraordinary debit / contract for the co

Net gearing at the year-end of Chloride America was due to was 61.3 per cent (57.9 per cent). increased volume and an was 61.3 per cent (97.9 per cent).
Adequate horrowing facilities for improvement in margins, partiforeseeable needs are available, the hoard stated.

Chloride Overseas had good Capital expenditure levelled results from most companies, in-

PRE-TAX profits up 16 per cent to £29m on a 13 per cent rise in third party sales to £346m are reported by the Chloride Group for 1978-79 and the Board expects to the control of the cont exchange rates, adversely affected results by £0.5m compared with last year. The adverse effect on the region as a whole due to exchange rate movements was £1.0m.

> Over £3m for Ocean Wilsons

at £42.96m compared with £29.24m, taxable profits of Ocean Wilsons (Holdings), 'investment holding company, advanced from £2.68m to a record £3.18m for the year ended January 31, 1979.
At half-time, when profits were up from £1.5m to £1.75m, the directors said indications were that the full year result would not be less than for the previous

WITH TURNOVER much higher

уеат. From earnings per 20p share ahead from 11.2p to 13.27p, the dividend total is lifted to 3.5p (2.875p) net with a final of 2.5p. At year-end, market value of

Braby Leslie shows £0.3m fall

civil engineering group, failed to match the record figures of After a midway fall from £1.16m to £1.04m, pre-tax profits for the year ended March 31, 1979 were down at £2.09m

The directors report that the satisfactory result was achieved despite the poor business eliments. satisfactory result was achieved should be seen in this despite the poor business climate perspective, they add.

rney say the year began with order hooks in certain subsidiaries at reduced levels and this trend continued 11.1p) assuming a full 52 per throughout the period. In spite of this, most subsidiaries of this, most subsidiaries produced good, and in several lifts the total payment from 4.118n to 5.0090 which is 0.1200. They say the year began with cases, record results.

mproved performance was reflecting the reduction in ACT. orders. The share S. Briggs and Co., where profits were some £500,000 lower. The credit of £323,000 (£7,000) (fully taxed) of downturn here was due to relating to the profit on the sale of 11.2 per cent.

out that Briggs' results must be viewed against the exceptionally favourable conditions in 1977-78. when its profits reached a peak,

After tax of £512,000 (£383,000) haulage strike in January. net profits for the period Turnover for the year was decreased from £2.01m to marginally ahead from £31.38m £1.58m. SSAP 15 has been

Actual earnings per 10p share An exception to this generally

4.416p to 5.009p, which is 0.129p above the forecast level. was reflecting the reduction in ACT.

with confidence."

* In a trading environment beset by low

U.K. the Group profit represents a

contribution to turnover and profit.

performed particularly well and is

Turnover

Dividends

Trading profit

including exports

Profit before taxation

Profit after taxation ...

Earnings per share

* Capper-Neill International Division has

mainly responsible for the Group being

* Site construction of process plant

continues to make the biggest

margins and industrial disputes in the

modest, but not unsatisfactory increase.

PROFITS £5.5 MILLION

EXPORTS £31 MILLION

"Once more the Group has started the year with a strong

order book . . . continued expansion overseas, in many cases

Other highlights from the Chairman's statement

GROUP RESULTS IN BRIEF

For a copy of the full Report and Accounts write to The Secretary, Capper-Neill Limited, Warrington WA1 4AU.

Capper-Neill &

89,897,214

31,341,481

6,175,120

5,536,625

4,701,082

854,077

18.28p

for the year ended 31st March 1978/79

on a permanent basis, remains the basic philosophy behind our future plans...the Directors continue to view the future

competition and a in March of Tam's Loup Quarries interim stage, full year results decrease in orders for brewing to Pioneer Aggregates (UK).

of Braby Leslie, mechanical and equipment.

After dividend payments, civil engineering group, failed However, the directors point retained surplus emerged at

£1.39m against £1.57m. Net tangible assets per share at the year end were SS.4p

comment

Braby Leslie's smaller subsidiaries had record results. But the larger members of the group were hit by tough competition and a drop in demand. The brewery contractor suffered a £500,000 shortfall, while Auto Diesels, like most portable power companies, found its export markets cut by troubles in Iran and Nigeria. This led to a drop in total group exports from £5.7m to £4m. Margins are under presfor a record workload, but this has yet to be converted into firm orders. The shares fell 5p to 68p. yesterday, giving an historic p/e (fully taxed) of 6.7 and a yield

W. P. Capper, Chairman

awarded The 1979 Queen's Award for

* Satisfactory progress continues on the

* Capper Pipe Service Division increased

gross from 3.1944p. Total dividends

1977/78

69,125,197

23,779,913

5,519,420

5,225,976

4,624,644

489,854

19.43p

Total dividends increased to 4.75p

of 6.0p gross forecast for year to

£25 million sugar construction scheme

Export Achievement.

at Kenana in the Sudan.

both turnover and profit.

31st March, 1980.

July 20 Amber Industrial 0.63 Applied Computer 0.7 Sept. 14 Aug. 4 Applied Computer 0.7 Avetue Close 1.79 Bell and Sime 4.51 Braby Lestie 3.01 B. & C. Shipping 5.84 Brown Shipley 6.11 Caledonia Invest 5.53 Chloride 46 Control Securitles 0.65 Corn Exchange int 2.5 Crosby Spring 0.55 DOM 3.39 Dominion & Gen 6.75 Electra Invest 3.8 Aug. 10 July 24 July 31

July 18

July 27

July 27

Sept. 1

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue i on capital increased by rights and/or acquisition issues. ‡ Additional 1.53p to be declared on August 1. § For 18 months. ¶ Final expected to be similar to interim.

Hestair chief comes under heavy fire

equipment group, were given profits alone.

 Sckers
 1.35

 Sound Diffusion
 1.6

 Staveley
 5.97‡

siumped to a pre-tax loss of

Several shareholders at the annual meeting yesterday suggested that insufficient warning of what was to come had been given at the time of last May's near £3m rights issue. They also wished to know why the hoard had expressed confidence last September in the outcome for the second six

In reply Mr. David Hargreaves, Hestair's chairman, pointed out that the rights issue document had forecast lower first half profits. He added: "We did not expect the sudden and spectacular change in environment in the international markets in which we operate.'

Explaining last year's turn-round, Mr. Hargreaves said Hestair's special vehicles division had lost £211m in cancelled orders in the second half of the year. These included some highly profitable orders

The directors of Hestair, the for spares which, he claimed, vehicles and farm cost the company £1.5m in

0.82

a rough ride by shareholders yesterday during a lengthy post mortem on the group's 1978 trading losses.

Hestair's results in the 12 months to the end of January showed that the previous year's taxable profits of £4.16m had

Asked why some of the directors did not take up their full rights entitlements year, Mr. Hargreaves said that in his case he would have been forced to borrow money to pay for the shares.

and receiving less than £150 in

Asked about salaries and wages at the company he said that onl yone director had received more than a five per cent increase in the past 12 months while employees in only one company in the group had received more than an eight per cent pay rise.

Looking ahead, Mr. nat-greaves said the group was con-centrating on reducing the foundry products and abrasives special vehicles division's vul-group, all product groups nerability to Middle East improved their profits, the equipment he stressed the need to develop new products and said the group intended to achieve a more equal long term balance between sugar beet harvesting and potato harvest-

McLeod Russel setback

Taxable profits of McLeod Russel and Co. were halved in the year to March 31, 1979. The surplus dived from £8.52m to an estimated £4.25m.

estimated £4.25m.

The group; which has tea estates in India and Rhodesia, saw profit from India fall from £8.05m to £3.83m. The Board says the sharp decline was anticipated following the fall in the prices of the same teachers and tea prices on world markets and steadily rising costs. In addition the export duty, which was not removed until February this year, had a severe impact on

The surplus attributable to ordinary shareholders is down from £2.82m to £379.000. Last year's figure was boosted by more than film from the liquidation of holdings in which group companies had significant

The gains this year are considerably reduced. But the Board says the group's total investment in this area has now increased and the excess market value over cost of UK quoted shares at the year-end vas £2.23m, against only £601,000 year previously.

The directors intend to recom

mend an unchanged net dividend of 13 p per share for the year. Stated earnings are down from 43.31p to 11.25p.

Control Securities cash call

TOGETHER with the full-year TOGETHER with the full-year results, Control Securities has announced a rights issue to raise some £345,000.

Taxable profits of the property concern jumped from £43,681 to £141,085 in the year to March 31, 1979, on higher turnover of £791,842, against £540,912.

At midway, reporting a turn-

At midway, reporting a turn-round from a £17,594 loss to a £22.227 profit, the directors were

confident of an increased surplus in the second half. After lax of £137,827 (£39,559). Atter (ax of £137,827 (£39,558), stated earnings per 10p share are more than doubled at 2.24p (1.04p). The net final dividend of 0.849p lifts the total to 0.949p (0.825p).

The terms of the issue are one for-five at 30p. After this, a one-for-ten scrip is proposed. The dividend for the current year is forecast at 2p gross on increased The company is a subsidiary of Laborund of Switzerland

Dull finish by B & C but meets profit target

HIGHLIGHTS

PROFITS before tax of the British and Commonwealth Shipping Company were down from £29.3m to £28.6m in the year to December 31, 1978, but the profit figure is in line with appearance.

the profit figure is in line with expectations at midway. When reporting first half profits of £13.27m against £15.67m, the directors said indications suggested second half profits would approximate those of the first six months.

The board now says that although it is too early to give any firm prediction of current year results, present indications are that ore axy profits will not

are that pre-tax profits will not be dissimilar to the £28.88m now reported which is struck before a £2.29m share of exceptional currency loan loss of an

Turnover
Profit
Depreciation
Operating profit
Dics. and interest
Interest payable...
Associates profits
Exceptini, currency
loss loss's
Profit before tax...
Associates' tax
Associates' tax
Minorities
Extraord Cradit

this (429 loss); marine and estation insurance, 716 loss (72 profit); office equipment, 2,586 (2,052) and other activities 2,388 (1,496). Profit on sale of ships was 1901,000 (£278,000), additional depreciation was £1.75m on floating supply base ship and realised currency loan losses, £469,000 against £1.22m.

Of an associate Examings per 50p share are shown at 26.3p against 34.5p and 33.2p (34.5p) adjusted to exclude the associate's currency loan loss. The final dividend is

5.8378p lifting the total from 9.33347p to 10.5878p.

ing that the Modern Mald acquisition had suffered a "disappointing" \$2m first-quarter loss, including non-recurring costs. At the Wimpey annual meeting, the chairman revealed that the group's tax liability for 1976 has been agreed, which has permitted a release of £9.12m from the tax provision. kiss (2.748 profit); air transport profits up from £3.2m to £3.63m and helicopier operations, 9.946 in the year ended March 31, (9;627); aviation support, 4.203 1979, on turnover of £6.87m (2.242); leisure andustry, 173 against £5.54m.

Profit attributable to ordinary stockholders improved from directors expectations at midway of an improvement of some 10

per cent for the year. Stated earnings per 25p stock unit are 12.43p against 10.58p and the final dividend is 5.5258p making a total of 9.6508p compared with 8.50141p.

Turnover of the subsidiary. Amber Industrial Holdings improved from £3.03m to £3.36m in 1978-79 and pre-tax profit was £391,213 compared with £361,338.

Earnings per 10p share are shown at 6.99p (6.06p) and the An analysis of operating profit has a substantial interest in dividend is increased shows (in £000's), shipping, 647: B & C Shipping, reports presax 0.5446p to 0.6354p nct.

Staveley at £11.3m and expects further growth this year

Caledonia Investments, which

Caledonia

Investments

Mr. Hargreaves calculated that had he taken up his full entitlement and taking into account interest (which is not offsetable for tax purposes) and capital repayments over five years, he would have been paying out more than £20,000 a year and receiving less than £150 in

mainly during the second half. Earnings per £1 share are given as 62.6p (56.2p annualised). The directors recommend a final dividend of 5.97p and intend to declare an additional 1.53p on August 1, making a total of 12p—amount paid for the previous 18 months was 13.5036p.

With the exception of the

• comment

Staveley's impressive growth record of the past seven years has virtually been halted. On an annualised basis, 1978-79 profits are only 12 per cent higher, due mainly to the difficult trading conditions in the engineering sector. In addition, the company had to contend with the effects of strikes and had weather—factors, in addition to the escalating price of scrap, which depressed foundry profits. In the current year, however, the prospects look considerably brighter. On the mineral products side, demand for salt from local authorities is high because stocks were run down material at those of its interests not involved in paper making.

To carry out the reorganisation plan, the group had to raise directors forecast a substantial further finance from its bankers.

filo.01m respectively.

The directors expect further At 300p the shares sell on a p/e growth in the current year, of just under 5 while the yield of of just under 5 while the yield of 6.1 per cent is more in line with

> 48% growth at Sekers: pays 2.1p
>
> IN SPITE of a disruption to trading caused by the baulage

strike, pre-tax profits of Sekers International rose, by 48 per cent from £316,242 to £459,612 for the year ended March 31, 1979, on turnover well up at £7.34m against £5.42m.

increase in profits for the full year; at halfway profits were £215,100 (£133,500).

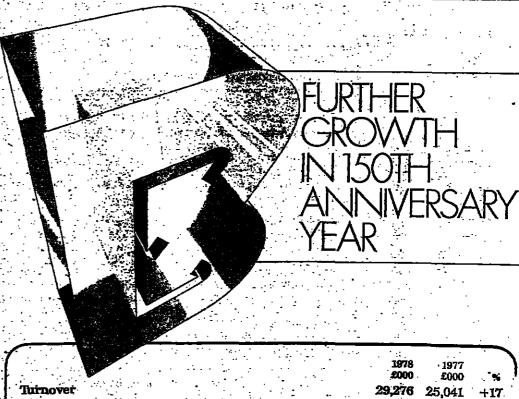
The directors now say that all the UK sections contributed to the improvement, the New Zealand subsidiary having been sold during the second ball. The trading losses of this company, and the loss on sale, were not material, they add, and are included in the pre-tax figure.

Before the exceptional item earnings are shown as 6.76p (4.08p) per 10p share and the dividend is increased to 2.1p (1.514p) net with a final payment of 1.35p.

Brittains omits pref. payment

Brittains, the Staffordshire-based paper group with interests in engineering and insurance and which is backed by Equity Capital for Industry, is not to pay the June 30 dividend on the 9 per cent convertible cumulative redeemable second preference

The group came to its decision after a Board meeting yesterday trading and financial position. Brittains has experienced a host of trading problems major reorganisation programme, shutting down or selling off those of its interests not involved



Profit before taxation Profit after tax attributable to shareholders Earnings per share Dividend per share Return on average capital employed%

1,886 +23439 7.42p5.03p 2.00p 1.50p 19.0

Points from the Group Chairman's Statement: • 150 years of trading marked by record.

turnover and profits. • 1 for 1 capitalisation issue to bring share capital more into line with the assets

employed. • 33% increase in dividend includes a 5% special bonus dividend to mark the 150th . Anniversary of the Boustead Group.

 Board expect to maintain a total dividend of 15% for 1979 on enlarged share Results for the first quarter of 1979 are

matisfactory and confident of further Val

The Group's activities include commodit engineering, manufacturing, marketin; distribution, plantations, shipping and services and it has operations in Asem United Kingdom and USA.

improvement during the year.

Storage, pipework, materials handling and complete process plants for world industry

وكذا من الأجل

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UK COMPANY NEWS

Valor up 28% to £2.1m on increased sales: scrip

AN INCREASE of 28 per cent in more concerned if the Budget profits from £1.66m to siderable confidence."
£2.14m is reported by the Valor had raised gas prices. Company, gas appliance maker, for the year ended March 31, 1979, and the directors are fore-casting a record result for the current year.

The final dividend is raised from 1.433p to 1.719p making a total of 2.491p compared with 2.135p. A one-for-five scrip issue is also proposed.

Turnover rose 12 per cent from £37.58m to £42.11m. The directors point out that the year's results would have been better had not deliveries been affected by the haulage strike and consequent industrial disruption in the tast

Basic earnings per share are stated as 17.37p against 10.4p and 15.78p (9.76p) fully diluted.

Looking to the current year the directors say the group con-tinues to launch new gas appliances; many of them setting new standards in gas technology. Mr. Michael Montague, chairman, says he does not expect the extra VAT on gas appliances would have much effect and "we

• comment

The market is still waiting for evidence of a strong, sustained evidence of a strong, sustained recovery by Valor's gas cooker manufacturing subsidiary. The Liverpool factory has been reorganised and space has been given over to production of heaters. This has helped but the cookers are still acting as a drag on profits. Heater sales have held up well and new lines have added to overall margins. More products, planned for this year, will continue the upward trend. National strikes hit the motor National strikes hit the motor components subsidiary slightly, and the lorry drivers dispute held up deliveries in the final stated as 17.379 agranding the stated as 17.379 (9.76p) fully diluted.

Net profit was £1.85m (£1.45m), industrial action was that taken before a final write-off of by Valor's own workers, at the £127,837 on the Iran investment.

The directors say a sum of Dational disputes cost the £432,090 has been recovered from a £400,000 in pre-tax profits. The is deposited in an Iranian bank. In the shares dropped 9p. to 74p yesterday giving a p/e of just they regard the outcome as 42 on stated earnings and a yield of 5.1 per cent.

Electra inv.

Profits of Electra Investment Trust, an Electra House com-pany, expanded 15.55 per cent man, says he does not expect to 53.05m in the year to March the extra VAT on gas appliances 31, 1979, compared with £2.64m would have much effect and "we last time. The surplus was wiew the coming year with conHe said he would have been against £1.74m.

per 25p share is ahead of the midway forecast of at least 3.5p. This lifts the total 16 per cent

to 5.8p (5p).
Gross revenue is up from f4.98m to £5.49m. Stated earnings are higher at 6.244p (5.403p), and net asset value is shown at 163?p (129?p).

Applied Computer on target

Applied Computer Techniques (Holdings) turned in taxable profits of £372,455 in the year to March 31, 1979—in line with the forecast of not less than £360,000 at the time of the placing of 10 per cent of the capital three months ago.

Last time, the surplus totalled

£246,373. Turnover rose from £2.11m to £3.11m. Mr. Lindsay Bury, chairman, says the current year has started very well in all divisions. As expected, the net dividend is held at 0.7p per 10p share.

Stated earnings are higher at 8.41p (5.67p). Tax took £148,600 (£105,228) There is an extraordinary debit of £72,936 (£33,975), and dividends absorb £21,393 (£21,204), leaving retained profit at £129,526 compared with £84,166. REPORTS TO MEETINGS

Spillers' Modern Maid loss in first quarter

group, has run into losses in its Modern Maid subsidiary in the U.S., Mr. Michael Vernon, the group chairman, revealed yester-day.

Addressing shareholders at the annual meeting, he said that in the first quarter of the current year "our recent acquisition in the U.S., Modern Maid, did make a loss. This is a disappointment because Modern Maid is a company very well placed in the American food industry and its sales are growing strongly. The problem has really been in the factory in Indiana which was commissioned before we took

Mr. Vernon explained that the new operation had suffered from design faults and mechanical failures, but, he added, "we feel that we have got to the problem there"

After the meeting the company revealed that the losses in Modern Maid were running at about \$2m in the first quarter but that was after substantial non-recurring provisions for special transactions designed to promotional costs, increased reduce materially the company's freight and fuel bills, pension tax liabilities and remove cash fund contributions and other flow difficulties. items which in all accounted for

On current trading elsewhere in the group Mr. Vernon told shareholders "we got off to a good start this year. Volume sales have been pretty buoyant throughout the group. In the first quarter our profits in the UK have been up to budget."

Wimpey gets tax release

Mr. Reginald Smith, chairman of Wimpey Construction UK, has told shareholders that the group is not now seeking to obtain tax benefits from "special transactions.

Mr. Smith said: "At our annual general meeting in June, 1977. I pointed out the effects of SSAP 9 accounting standard this bround heart said and a property of the standard of which would have resulted in an immediate and substantial in-crease in the company's tax liabilities and caused major cash flow problems. Accordingly your directors employed certain special transactions designed to

flow difficulties.

The company tax liability for

NEI tendering for

"Our future is becoming of shortage of demand, increased increasingly dependent on our overheads and extreme overseas ability to develop business in competition. This had not been many overseas markets," Sir helped by the industrial action James Woodeson, chairman of at the Hebburn plant in the Northern Engineering Industries, latter part of 1978.

1976 has now been agreed with the Inland Revenue. The basis o ftheir assessment of 1976 profits has permitted a release of £9.12m from the tax provision, and the company is not now attempting to obtain tax benefits from the special transactions.

On current trading he said operations had been affected adversely by the weather conditions in the UK. It means that once again the first-half figures would not be exciting.

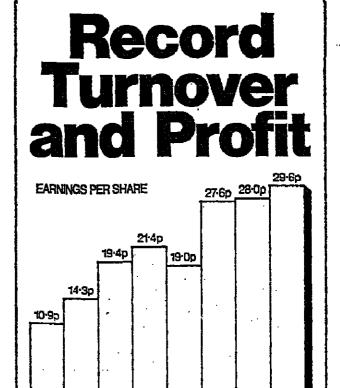
The market for private houses had remained buoyant and the recent acquisition of Donald Moody would improve the return on this sector.

The loss of work in Iran was a great d isappointment after years of solid effort. However, Wimpey was expanding in North America and pursuing promising opportunities in the Fas East and South America

John Laing warning

Sir Maurice Laing, chairman of John Laing and Son, the building and civil engineering contractor, told shareholders that "for the next two or three years it is not going to be easy to make adequate profits in the construction industry."

Sir Maurice said: "I will not at this stage forecast the likely level of profitability for 1979 except to say we will be fortunate to reach the 1978 level. and we will certainly not do so in the first half."



1971 1972 1973 1974 1975 1976 "In 1978 our turnover and profit once again reached new record levels, turnover rising 25% to £58,488,570 and profit before tax increasing by 14% to £4,023,919. The dividend for the year is increased by the maximum

The combined operations of the United Kingdom and East Africa in the last seven years have resulted in a growth of earnings per share of over 170"...

R. L. Doughty,



Distributors of motor vehicles and motor components; distributors of paper and board products. If you require a copy of the 1978 Report & Accounts please write to the Company Secretary at:-

Marshall's Universal Limited, Marshall House, 468-472 Purley Way, Croydon, Surrey CR9 4BL

Alpine Drinks little changed

BAD WEATHER, an increased its order book in the second half net lifts the total from 6.6p to loss on the leisure manufacturing and the directors are hoping for 7.37p. The managing director and development costs cut an improved result this year. into the profits of Alpine Soft
Drinks. In the 52 weeks to of £19,631 (nil) was on the new
March 31 this year the group subsidiary Alpine Direct Supply.
turned in taxable profits of This company will sell a range £1.51m on turnover of £13.54m. of products, mainly for children, In the previous 53 weeks the surplus was £1.54m and turnover

At midway the company was marginally ahead with pre-tax profits of £927,424, against £920,679.

The bad weather, particularly in the last quarter, bit the soft drinks side and there was a £416,000 sales shortfall, compared with internal budgets. The weather also affected the expansion programme. .

.og. jeo ilgam

The leisurewear manufacturing operation made a loss of £120,891, against a £5,975 loss. Curtis Hood Leisurewear, which is being reorganised imprived

on limited credit through a newly-designed catalogue. The group intends to launch the first catalogue over 50 rounds in the Midlands this July. Marketing and cash collections are through the Alpine Soft Drinks system. The directors do not expect a major profit contribution from

the new offshoot this year. But overall they expect to make up some of the ground lost in volume sales, and to see further progress on the soft drinks side. After tax of £789,200 (£797,000) the net profit is down from £742,895 to £721,515. Stated earnings per 10p share have fallen from 14.7p to 14.03p (* The final dividend of 4.958p

interim dividends on 1,109,406 shares and to the final on 1,106,406 shares.

DE LA RUE LIFTS FINAL DIVIDEND

The directors of the De La Rue Company announce that, following the reduction in ACT to 30 per cent, the net final dividend has been increased from 7.147p to 7.467p. This maintains the gross equivalent at the maximum permissible 16.5p.

As forecast in the preliminary statement earlier this month, there is being paid a special interim of 6p gross, equivalent to 4.2p, net, for the current year. This reflects the removal of divicontracts in China

told shareholders. China, he said, is a market "which could have a great potential for NEI.

"NEI had submitted comprehensive tenders for turnkey coal-fired power stations for China," and he expected that the technical team would shortly be invited out again for more detailed technical discussions.

"Final negotiations, I hope, will commence towards the end of the year." but he added that they are expected to "be tough and protracted."

Commenting on trading elsewhere in the group, Sir James said that it had been necessary to reduce the employment levels in certain units: this had included Wolverhampton and Gateshead At present Reyrolle was going

through a difficult phase because

Toolrite Limited Cramic Engineering Company Limited CHEWICAL& CARBON Berec (Variey Batteries) A S SKALAND CRAFITVERK BEREC

Laporte

Future viewed with confidence

Salient Figures	1978	.19//
	£′000	£'000
External sales		•
Laporte and subsidiaries	110,885	102,442
Principal Interox companies – attributable share	56,223	49,071
	167,108	151,513
Profit before taxation and extraordinary items	12,137	10,242
Profit attributable to ordinary shareholders	5,141	4,237
Ordinary dividends (maximum permitted)	3,498	3,151
The same of the sa		

Extracts from the Statement by Mr. R. M. Ringwald, Chairman, to the Annual Meeting held on Thursday, 14th June, 1979.

The establishment with Solvay & Cie of Interox manufacturing facilities in the United States of America is going well. The construction of the hydrogen peroxide plant in Houston, Texas will be completed at the time which had been forecast and it will cost what had been forecast, and we have every hope that deliveries to customers will commence before the end of this year. Our market development work in the United States has proceeded well and there is every indication that our hopes for sales volume achievable in the first three years of operation will be exceeded.

1979 commenced badly with a great deal of industrial unrest which reached its height with the lorry drivers' dispute. Whilst neither we nor the rest of the chemical industry were directly involved, our sales and services in the early months of the year were inevitably and adversely affected by this disruption. Unfortunately, the repercussions did not stop there since the fall-off in the quality in our services to our customers abroad had, and will continue to have, a very bad effect on the creditability which we need when seeking to increase our export sales. I am happy to tell you that the losses incurred have been clawed back, but we will never know how much sales potential we have lost

for all time. The extremely serious effects this disruption had must surely strengthen our national determination that situations such as these should not arise again. As far as our business is concerned since this strike was settled, our trading position has been good, and the increasing prices which we have been able to achieve, thus stopping the margin deterioration which we have suffered from for so long, will stand us in good stead in the future. If no change in trends occurs, it seems likely that our first half year results will prove satisfactory. In the longer term inflation and rising costs are enemies of us all and these are beginning to bite hard. When you couple this with the prospect of a new energy crisis it is obvious that we must be extremely efficient to retain our competitiveness in the world. Unless our inflation rate falls to that of our major international competitors the future of the British chemical industry will be as much affected as the standard of living of our nation.

Despite these factors, our spirits are high. The hard work, spirit and dedication of our employees makes possible our belief that we have both the skill and the will to overcome obstacles within our own control and therefore we, in Laporte look to the future with a sense of confidence.

Comes of the full statement and of the Report and Accounts may be obtained from The Secretary, Laporte Industries (Holdings) Ltd, 14 Hanover Square, London W1R OBE.



High performance chemicals for the world.

Berec Group Limited Developing the future in portable energy

"The modest increase in Group sales and a decline in Group profits indicate clearly that our new products continue to be a charge on our profits.

Profit margins on conventional battery sytems, particularly zinc carbon batteries, continued to be eroded at home due to rising costs particularly salaries, wages and overheads that we were not permitted to recover by the U.K. Price Commission.

Overseas, fierce competition in some countries and import controls by Governments eroded both our exports from Britain and our overseas turnover and profits.

Key Annual Figures to: 3	rd March, 1979	25th Feb., 1978
Sales to third parties	£'000 214,852	£'000 194,033
Group profit before taxation derived from:		
Domestic sales	11,128	9,022
Overseas sales	9,088	15,210
Associated Companies	83	1,158
	20,299	25,390
Profit attributable to parent company's shareholders	9,564	17415
Earningsper	•	
ordinary share	16.4p	21.9p
Dividend per		40-

ordinary share

We are striving hard worldwide to identify tomorrow's products, to develop new techniques and to train our people in new skills to serve new

Greater diversity of markets, a wider range of products and improved production facilities should ensure substantial growth opportunities for the Group in the future."

> Lawrence W. Orchard Chairman



4.3p

Berec Group Limited

Formerly Ever Ready Company (Holdings) Limited.

If you would like a copy of any of the following please tick the appropriate box/es, complete the coupon and return it to: The Secretary, Berec Group Limited, Berec House, 1255 High Road, Whetstone, London N200EJ 1979 Annual Report 🗌 Corporate Booklet 🗍 Employee Report 🗍

Robertson declines to £2m ECC ahead to but looks for improvement £10.4m so far

THE FORECAST decline in yearend taxable profits at Robertson
Foods, the largest producer of
sams and marmalades in the UK,
turned out to be from a record
£2.73m to £2.04m on turnover
the control of t abead from £72.3m to £80.1m. acceptable levels.

However, the Board is certain The taxable profit was struck there will be a substantial after associated profits of improvement in profits starting this year.

The taxable profit was struck after associated profits of £152,000 (nil). The tax charge is down from £383,000 to £346,000

this year.

At midway when the surplus fell from £969,000 to £768,000, the directors said it was clear that the year's profits would be lower than the previous 12 months.

In the year to March 31, 1879, the great which lifts the first profit of \$20249.

strike which cost more than net. £350,000 in profits. The export business, although • comment

back into profit.

An increase in interest charges -from £843.000 to £1.02m-also reduced the taxable surplus. The Board says bank horrowings were contained but higher interest rates increased the increased the interest cases increased the contribution from the French Peny subsidary fell by aimost £500,000. The price war aimost £500,000. The price war aimost £500,000. charge, However, the full benefit on borrowings due to the with-drawal from the UK seasonal canning market will be felt this

the group was hit by the haulage the total from 5.7249p to 6.2974p

The export pusiness, atthough it maintained volumes, made a loss because of the continued weakness of the Canadian do lar and the strength of sterling. But the group has recently raised its selling price to bring exports back into profit.

**Continuous Margins at Robertson Foods continue to fall. Including a 12-month contribution of £250,000 from Unican, acquired last December, the pre-tax profit return dropped from 3.8 to 2.5 per cont while interest charges per cent while interest charges climbed by over a fifth. National strikes in the UK in France is expected to limit Peny's potential short term but the group appears confident. the group appears confident that this and other moves away from finance charges of £754,000 comthis and other hoves away from mance of the company, says the Board, markets, will restore profit subject to has moved into new businesses ability. For the moment, howsuch as breakfast cereals, fruit ever, the shares are having to (£1.79m).

Wm. Leech finishes

DESPITE A fall from £1.48m to £1.29m in the second-half, pre-tax profits of William Leech (Builders) finished the February 28, 1979. year ahead at £2.34m against £2.2m last time. Turnover went ahead slightly from £20.82m to \$23.82m t £30.82m to £31.32m.

The directors have changed the year-end date to August 31, the next accounts covering the 18 months to August 31, 1980. They feel the company will be able to ameliorate, to some extent, the problems created during the winter months, by accelerating production in good

pared with £688,000 and was subject to tax of £509,000 against £410,000. Net profit was £1.83m port strike hit English China Clays in the first half to March 31, 1979. On turnover up from £107.9m to £123.9m taxable profits went ahead from £8.53m to £10.43m

In the half-year to March 1977 Indies satisfactorily. The West Indies operations performed the taxable surplus reached a below expectations and the record £13.5m, and the total for the year—also a record—was area.

The Board says that although few of its employees were involved in the strike, trading was hampered by picketing. Inevitably irrecoverable costs were incurred and some home and overseas sales were frustant of the leisure side Haven. Leisure has been expanded further and bookings are excellent. Negotiations with the National Cal Board have been completed and NCB (Ancillaries) becomes an equal partner in S. and A. Grophysical. In May the comand overseas sales were frus-trated. In view of these difficulties the directors regard the half-year results as encouraging. They expect the year's outcome to be satisfactory but stress that this depends on adequate fuel supplies which are vital to all divisions.

Last year the group turned in taxable profits of £24.48m. taxable profits of £24.48m.

The clay division was affected by the bad weather and deliveries to Scandinavia and the Continent were interrupted. However demand throughout the half-year was relatively strong and is expected to remain so for the rest of the year. Capacity is being expanded at home and abroad.

The quarties operations were also hit by the weather but because of frost and snow The dividend is stepped up to

The quarries operations were also hit by the weather but because of frost and snow damage to roads demand for its products is expected to be high in the near future. The division well placed to benefit from

suffered from the low level of public sector housebuilding, and this side of the UK business has virtually been closed down. Private estate development continues satisfactorily. The West

On the leisure side Haven

and NCB (Anchartes) becomes an equal partner in S. and A. Geophysical. In May the company broadened its base in the industrial mineral field by acquiring Fordamin Company for £1.28m.

for £1.28m.

After tax of £1.5m, against £2.15m, net profit comes out at £8.93m, compared with £6.38m. Stated earnings per 25p share rose from 3.96p to 5.53p.

The interim dividend is raised from 1.925p net to 2.1175p. Last year's total was 3.9684p. See Lex

Near £0.3m profit rise for Dom.

The dividend is stepped up to 5.186p (4.6442p) net with a final of 3.3938p.

Reserves have been increased

by £552,114 being the provision which had been set aside for this work. which had been set aside fo The buildings division, which deferred tax, no longer required

MINING NEWS

Gold shares: was the market wrong?

BY KENNETH MARSTON, MINING EDITOR

"WHY ON earth are gold shares the requirement for a 115 per term deposit also offers a high so weak?" asked more than one cent cover for overseas port return—getting on for 14 per cent holder on Wednesday when in a folios financed by foreign at the moment—and with minimal holder on Wednesday when in a general burst of post-Budget depression the Gold Mines index of London prices suffered one of its biggest-ever falls of 264 to abolished particularly in view 1745, the lowest since May 15 when bullion was just under \$254 per ounce.

The answer was that, apart from a modest easing in the bullion price to \$2761 it. Some observers feel, however, recovered to \$2781 yesterday—that the EEC requirement carries the market was worried by the fall in the effective dollar countries, such as France, retain premium to 144 per cent, almost a framework of exchange con-

the market was worried by the fall in the effective dollar premium to 144 per cent, almost half the rate obtaining prior to the general election six weeks

ago.

The disgruntled holders of an effective range for the next 12 gold shares may well have been months of between 10 and 20 per moved to observe, in strong cent, terms, that a share price fall of . At all events, the current level this magnitude entirely of 11 per cent is recorded.

perhaps second thoughts were thing; as the pending June being had in a steadier share quarterly results will show, gold market yesterday when, helped mine earnings are still moving by the improvement in the ahead. bullion price, the gold mines what may have been overindex recovered 2.7 to 177.2. At looked as far as gold share investible same time the effective ment is concerned is the Budget. dollar premium, which is con-reduction in the top tax rate from tained in London prices eased 83 per cent to 60 per cent and

a framework of exchange con-trols. It is argued that the dollar premium could be with us for a

terms, that a share price fall of ... At all events, the current level this magnitude — entirely of 11; per cent is regarded as an unconnected with any South acceptable risk in South African African racial upheaval—was golds where good class stocks are unjustified and provided an yielding more than this—or are excellent buying opportunity for on a similar potential yield — those who had been waiting to based on earnings derived from gold prices below those now Perhaps second thoughts were ruling; as the pending June there had in a steadier share quarterly results will show gold

further to 113 per cent. the raising of the threshold for Fears that the premium may the investment income surcharge shortly disappear altogether with to 55,000.

an investors corresponding it means that high yielding loss of capital are understand stocks, such as gold shares, now

justified, however, is another in the upper tax brackets; cents for 1978 when there was a question.

A major reason why the much of the high yield in tax but Areas' increased interim of 12

return—getting on for 14 per cent at the moment—and with minimal risk. But of course there is no guarantee that this return will be maintained whereas yields on gold shares at present prices can be expected to increase with the mines. Mising earnings. So there is still a good case for golds as yield sweetners in a mixed portfolio. Of the top class issues. West Driefontein, for example, yield over 13 per cent at the cum-premium price of £251 while similar yields are

offered on Buffelsfontein, Hartebeest and Harmony. Also giving 13 per cent-plus are Free State Geduld and Western Holdings, but the current yields are based on total dividends for the year to last September and both mines have since substantially raised their

A more speculative issue at a reasonable price of 363p is Stiffontein which returns just over 10 per cent on the 1978 dividend total. Here again, the interim has been increased—albeit by less than was expected —and a good final should follow. The major holding company worthy of mention is, of course, Anglo American Gold Investment which gives just over 7 per cent on its 1978 dividend.

Meanwhile, further dividends are declared by the gold mines in the Johannesburg Con-solidated group. As expected, Randfontein is raising its interim an investors' corresponding it means that man Randfontein is raising its interim loss of capital are understand, stocks, such as gold shares, now Randfontein is raising its interim able enough. Whether they are carry more appeal to shareholders to 250 cents (143p) from 200 and housever is another in the upper tax brackets; cents for 1978 when there was a question.

A major reason why the much of the high yield in tax but Areas' increased interum of the premium has fallen so sharply still had to accept the degree of cents goes against 8 cents a year is the anticipated fall in demand investment risk which accoming ago and is below expectations as for investment currency result; panies a high return.

It is true that money on shart cents declared by Elsburg.

Second half lift boosts Plysu to £1.2m—dividend up 36%

A SECOND half increase from price of high density poly-sated for a poor soft drinks £294,000 to £566,000 boosted ethylene which is Plysu's main market, depressed by the cold taxable profits of Plysu, plastic raw material, but demand for summer. This sector accounted products remains buoyant even for some 80 per cent of group turnover with housewares constitutions. manufacturer, to a record £1.23m for the year ended March 31, 1979, against £750,000.

that the pattern of progress had after interest £203,000 (£107,000), continued into the third quarter depreciation £672,000 (£453,000). good full term result. Earnings per 10p share at the

lifts the dividend from 1.38360 to 1.8931p-on dividend cover rules—an increase of 36.8 per • comment

Demand for most of the company's products continued to climbed almost 64 per cent with rise, and the increased capacity a 2.5 point rise in margins. This installed last year now offers year, the group, is spending at customers a much better service, the directors state.

Simulation of the group is spending at customers a much better service, least another £650,000 which should considerably expand capa-

the interim stage, the directors warned that the full-year result

profits from the insurance activities were down from £796,000 to

£770,000. Tax took £539,000 (£452,000) leaving £399,000, against £383,000, to be added to

A net final dividend of 6.107p (5.264p) steps up total payments

from 9.344p to the maximum permitted 10.607p per £1 share, absorbing £587,000 (£513,000). Following the relaxation of divi-

dend controls, the directors consider an increase to a higher level would be appropriate and intend to review this at the time

of the interim statement next

The bank has transferred 22m

from inner reserve to disclosed resources. With retained profit

and other movements, the group's disclosed capital and

reserves has increased by £3.16m to £18.96m.

for credit in the first half-year was low and margins on avail-

able business narrowed. Earnings on the bank's free capital

improved in the second six months and it was encouraged by an increase in demand for

credit facilities. This was reflected in greater use of its acceptance facilities at the year-

Assets held for leasing increased from £11.47m to £13.88m and the contribution to

banking profit showed a sig-nificant improvement.

Apartments

On the banking side, demand

banking profits.

and they looked forward to a and included associates' loss of £7,000 compared with £6,000.

Earnings per 10p share at the year end are shown at 21.1p the amount retained came (11.8p) and a final of 1.2145p net through at £1.08m against

Also proposed is a one-for-one expenditure is paying off for Plysu. After an 8 per cent downturn in 1977-78 pre-tax profits During the past year £1.1m city and service in the blow has been spent on capital equip- moulding and housewares diviment and directors have already sions. Impetus for last year's sanctioned £850,000 for the recovery came from the containers side where firm demand

Brown Shipley marginally down

NET TRADING profits of Brown progress and provided useful £163.023 in the year to April 28,

Growth in brokerage earned in the UK from both home and

Among direct overseas opera-tions, the U.S. side again made an important contribution, but

the Australian company has still to become profitable. The South African offshoot also made a significant contribution.

At balance date, group cash, hank balances and short-term

money were down slightly from f42.49m to f41.87m. Loans, advances and other accounts reached £76.82m (£61.78m). Deposits and other liabilities were £198.73m (£179.83m).

Mooloya Inv.

Shares in Mooloya Investments

were suspended yesterday pend-ing what is widely regarded to be

Earlier in the day Mooloya said it had been notified that a company controlled by Mr. Ian Philips, a director, had bought 92,000 f1 ordinary shares at 70 p in Mooloya, bringing the total number of shares owned or controlled by the board to about 272,500 (roughly 43,25 per cent). The Panel on Takeovers and Mergers has been informed.

Bell & Sime

nificant improvement.

Benking businesses in the Sime, timber importer and Channel Islands made steady sawmiller, rose from £121,142 to

Greengarden House, St. Christopher's Place in quiet. picturesque, pedestrianised area near Oxford Street.

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nercial and Agricultural pro- Tunter & June

Fully-equipped apartments with maid service.

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Earlier in the day Mooloya said

suspended

after banking side falls 4.4%

Shipley Holdings, merchant profit contributions. During the banking and insurance broking year, the holding in Trinity Bank

group, were marginally down in Dublin was increased to 78

from £1.69m to £1.65m for the per cent, and the directors are year ended March 31, 1979. At with its progress.

was not expected to match the overseas markets failed to keep record level of 1977-78. After tax pace with costs incurred here.

net surplus of the banking side The low level of economic fell by 4.4 per cent to £1.25m. activity and the strengthening

The parent company result of the pound against the was £158,000 (£39,000), but currencies of the group's major

or the year ended March 31,

779. against £750,000.

At halfway the directors said and the pre-tax figure was struck Although high density polyethelene prices (the main raw material) have risen by around 25 per cent since the end of the year, Plysu appears confident of riding out the problem. At 158p, the p/e on published earnings is 7.4. The shares yield only around 2 per cent since the final is to be paid just four days before restraint officially ends. But cover of more than 11 times reflects good potential for increased payments.

AVENUE CLOSE

Pre-tax profit of Avenue Close, property investment and development company, almost doubled from £358,957 to £698,794 for the year ended March 31, 1979. And from earnings of 5.56 (2.763p) per 20p share, a dividend of 1.788p (1.625p) net, the m-mm allowed, is announced Tax for the year took £359,769 Since the yearend there has for five-litre bottles and 25-litre against £190,752 and the amount been a very large increase in the containers more than compen-retained was £230,172 (£80,404).

1979, on turnover of £3.93m,

At midway, the surplus was

up to £83,590 (£81,512), and the

directors expected improved

The net final dividend of 4.5056p per 25p share lifts the total to 5.3806p (4.766p).

Tax took £56,741 (£61,412). No

against £3.61m.

full-year results.

currencies of the group's major further provision has been made overseas earnings remain sig-beyond April 28, 1978, for nificant factors in this unsatis- deferred tax because of stock

Pauls & Whites up to record £7.64m

A GOOD performance in the animal foods division helped Pauls and Whites to finish the March 31, 1979, year with record-taxable profits of £7.64m against £6.25m. Turnover was well ahead. at £188.8m compared with

At the interim stage profits

materials 3,720 ssences... 776 irges 1,484

Earnings are given as 19.43p (17.17p) per 25p share and the dividend is stepped up to 4.926p (4.29p) net with a final payment

comment

In spite of an almost doubled interest charge, Pauls and Whites has turned in a creditable set of results. The profits rise of just over a fifth, which includes a small contribution from new acquisitions, reflects an impressive 65 per cent jump ing merchant

in profits by the animal feedstuffs division. The bad weather in the final quarter boosted demand although some of the full-year volume gain of around a tenth must be attributed to lower corn prices as a result of last year's good harvest. The weather, on the other hand, had a depressing effect on the brewing materials and flavouring divisions although the former also had to bear some losses from the German operation. It is still too early to make any accurate prediction for the current year but the company will have to make a determined

effort to reduce short term debt. if the impact of high interest Cardiff and Edinburgh is pro-rates is not to take the gloss ceeding and these should be Warburg amounces. off any further improvement at the trading level. A strong cash flow will help but there may be scope for re-scheduling the over-draft. At 141p, the shares are on a p/e of 7.2 while the yield

CMT SUSPENDED

is 5.3 per cent.

Central Manufacturing and Trading, the industrial services and steel stockholding group, asked for its shares to be suspended on the Stock Market pending an announcement. The suspension price was 75p.

up lp, which valued the group

CMT recently acquired G. R. Francis, the heating and plumb-

Debenhams begins to benefit from earlier developments

THE DEVELOPMENTS planned of sales £3.9m (£6.2m), less and started some years ago by gearing of £1.6m (£2.3m).

Debenhams, retail distributor. The £74.83m, surplus arising are now coming on stream and from a revaluation of the group's the group is beginning to reap the benefits, says Sir Anthony Burney, the chairman, As anticipated last year, the group opened two new stores during 1978 at Swansea and at

Stockport. Both of these are showing good results and are coming fully up to directors' expectations. In March this year, the group opened the first phase of the redevelopment of fits Ipswich store and Sir Anthony says the whole new store should be in

iperation by autumn 1980. Progress on the Blackburn store is on schedule and it is anticipated that it will be completed by the autumn of this year. Work on the new stores in open in autumn next year. Detailed plans for the major reconstruction of the group's

Croydon property have now been completed and it will shortly be entering into negotiations for the financing of this new project.

As reported May 19, bad weather and industrial unrest early this year trimmed pre-tax profits from £28.26m to £23.31m for the year ended January 27, 1979, on sales, excluding VAT, of £496.14m (£442.98m). Trading profit after cost of finance rose by 30 per cent to £21.73m, but the effect of lost turnover in January was to reduce profit by at least £1.25m.

that trading profit in the current for a reasonable second half-year. year will show a further sub-

adjustments for depreciation of

from a revaluation of the group's properties made in 1978 with retained profits, but less £8.8m written off goodwill, resulted in an increase in shareholders' funds from £170.78m to £246.48m. At balance date total borrow-ings amounted to £74.6m, representing some 30 per cent of shareholders funds, compared to around 31 per cent a year

earlier. Group fixed assets rose from £150.86m to £241.8m and net current assets were up from £71.92m to £82.41m.

STC AT 160P Arrangements for the offer for sale of 15m ordinary shares of Standard Telephones and Cables have been completed.

list opens on June 21. Brokers are Cazenove and Messel. J. W. Wassall improves to

The 25p shares will be offered

at 160p each and the application

On turnover up by £188,705 to £1,889,709, J. W. Wassall, multiple footwear retailer, improved taxable profits for the year ended March 31, 1979 from £68,627 to £77,753, with £29,067 against £25,597 coming in the first half. The final dividend is doubled from 0.24p to 0.48p net, making a total of 0.68p (0.44p) per 5p

share.
After an increased tax charge of £46,254 (£35,930), net profits for the year were down slightly from £32,697 to £31,499.

Motor disputes restrict Crosby Spring to £1m

t least £1.25m.

The directors are confident to the confi A final dividend of 0.55p per restrictions.

BUT for strikes in the car to £10.05m. The year's tax industry, the pre-tax profit of charge is £510,146, against £1.01m arhieved by Crosby £363,853: Spring Interiors for the year In the light of recent specula-ended March 31, 1979, would have been exceeded comfortably, categorically that they have not the directors report. The profit received any approach from a compares with £712,090 in the received any approach from a potential purchaser and they have no knowledge of any such

OXLEY PRINTING Oxley Printing Group has decided to exercise its right to stantial advance.

On a current cost basis, pre-tax profits are reduced to £17.8m against £21.2m last time, after a few against £21.2m last time few against £21.2m last time a few against £21.2m last time a fe cent convertible debenture stock Turnover increased from £7.5m

Meeting, Stratton House, W.

Warrington

Workload available to the ing industry in the public could decline later in t

says the chairman of Warrington and Son

annual statement for But he adds that

The general to public works contra

lifted taxable £176,000 to £244,0

man says that it

public sector.

warns on

potential takeover.

Hogg Robinson and 'Pru' join in new Bahrain venture

new Bahrain offshore insurance concern has been established by a Saudi Arabianwith Hogg Robinson Group, the insurance broker, and the Prudential Assurance Company. Prudential Assurance Company.
The new company—to be
called the Saudi International
Insurance Company EC—has a
capital of £1m of which the Arab
group, led by Sheikh Fahd Al
Tobaishi, has 60 per cent and Hogg Robinson and the Pru 20 per cent sach.

The headquarters of the new group will be based in Bahrain and there will be agencies in Riyadh and other parts of Saudi

Arabia.

The new company will handle all types of insurance business, with the exception of life insurance.

Hill Samuel Life raises bonus rate

As a result of the surplus disclosed by the annual valuation made as at March 31, 1979, Hill Samuel Life Assurance has declared a record reversionary bonus rate of 54 per cent per annum of the basic sum assured and attaching bonuses. This new

rate compares with £3.70 per eent declared last year.

The company has also dropped the small terminal boous paid year.

The company has also dropped unexp over the previous two or three trees. over the previous two or three years and, for the immediate although some of the companies
The company is well known as new lines, these should be a linked-life company. Although regarded as a temporary state the main part of its business is of affairs. He remains confident linked life assurance and penthat profitable expansion will stone fifth Samuel Life transacts come again. a significant amount of Meeting, Str traditional with profit life assur- June 29, noon.

nce basiness. This new bonus rate applies to all with profit whole life and endowment assurances including its flexible endowment and its low cost policies. The first bonus was declared in 1967 at a rate of £2.40 per cent.

Advance Laundries starts well

The corrent year has started well at Advance Laundries says Mr. W. M. Dravers, the chairman who tells members in his annual statement that he believes the company will put up a better performance in 1979 than in the previous year. Pre-tax profits for 1978 were but work was up from £3.35m to £3.67m, on weather in the fiturnover of £27.37m (£22.8m)—

as already known. Over the past decade, the com-pany's profits have increased threefold but for the last two

years have been on a planeau. Mr. Dravers says the modest increase in 1978 was not unexpected in a difficult trading

Midland Bank Base Rate

Midland Bank Limited announces that, with effect from Friday 15th June 1979, its Base Rate is increased by 2% to 14% per annum.

Deposit Accounts. Interest paid on accounts held at branches and subject to 7 days' notice of withdrawal is increased by 2% to 11½% per annum.

Abatement allowance on ledger credit balances for personal current accounts not qualifying for free terms will be 9½% per annum.

Personal Credit Plan Accounts. With effect from Friday 13th July 1979, interest paid on credit balances will be increased by 3½% to 9½% per annum and interest charged on overdraft balances will be increased by 1% to 19% per annum. The effective annual equivalents of these rates on the basis of annual compounding are 9.73% and 19.90% respectively.



: Midland Bank

مكذا من الأمل

INVESTMENTTRUSTREVIEW

The opinions expressed by contributors : to this Review are their own and should not be assumed necessarily to reflect those of the Association.

Aview from outside

honoured role of agent-provocateur, I wrote a short but acid attack on the wrote a short but acid attack on the managers of investment trust companies. The gist of it was this. If, as was the case, £100 of stocks and shares managed by an investment trust were valued on The Stock Exchange at an average of £75, then the managers of those trust companies, for all their undoubted ability, appeared to be wasting their time. Today, investment trust shares may still be bought at a big discount on their true value. But many other thines have value. But many other things have changed and the investment trust industry presents a much more modern outlook.

Fortuitously, we journalists set off a vigorous debate in the investment trust world which had been awalted for some. time. Many managers rejected the idea, then fashionable, that the traditional investment trust was rather passe. They asked: why could buyers of trust shares only be matched with sellers at such a large discount on the companies' true worth—and what could be done about it?

The blame could not be laid mainly on results. Some smaller specialised trusts, including several in the Far East, have an outstanding, if volatile, record of capital growth in recent years. The majority have not fored much, if at all, better than the share indices on capital but they have a good record for improving dividend income. For instance, a number of the large middle-of-the-road trust companies have raised dividends by an companies have raised dividends by an average annual rate of between 14 and 20 per cent in the past five years. Allowing for compound interest that has kept shareholders almost abreast of inflation— a feat not even matched by house prices.

Technical problems were more important. Private investors are still disappearing year after year from the stock market and they traditionally hold a higher proportion of their investments in trust shares. Meanwhile, new investors have mainly gone for unit trusts and insurance-linked schemes that can be promoted by big advertisements in newspapers or by commissioned sales force; Investment trusts cannot hope to compete directly with this. But in those days,

Moorgate Investment Co. ...

Philip Hill Investment Trust

Witan Investment

Witan Investment Ordinary 25n
Electric & General Investment Ordinary 25p
Greenfriar Investment Ordinary 25p
Lowland Investment Ordinary 25p
English National Investment Prefd. Ord. 25
Do. No. No. Pofd Ord. 25

Nineteen Twenty-Eight Inv. Triist Ordinary 255

Ordinary 25p Prefd. Ord. 25p

Ordinary 25p

Ordinary 25p

7efd. Ord. 25p

many seemed to have given up hope of marketing their virtues to the potential

investor. To make matters worse, a lot of share To make matters worse, a lot of share issues were made near the peak of share prices in 1972. (Many were complex, few have proved successful). So instead of contracting with private demand, the supply of investment trust shares expanded. Last but not least, the currency restrictions imposed in the 1950s (and the double taxation introduced at that time) had cramped the companies flexibility and their appeal in the traditional forte, overseas investment.

It is encouraging to see how historical much of that analysis now looks.

Important trends

Some of the easy-sounding solutions put forward by the likes of myself, such as winding-up trusts or turning them into unit trusts, have not proved fruitful, except for eliminating a few smaller trusts with little obvious future. But two important trends have emerged.

First, pension funds and city companies wanting to raise cash have made takeover bids for nearly £600m of trusts, with enormous short-term benefits to share-holders. This in turn has encouraged more investment by hig institutions, if only for the rather unworthy motives of building up 'strategic' holdings either for the medium or the beautiful. for themselves or to be in at the kill. This bargain-hunting, quite apart from reducing the imbalance of supply and demand, helps put a floor under investment trust company share prices in relation to their asset value and largely removes the fear in potential investors' minds that they might lose money by the shares selling permanently at even larger discounts on assets.

Secondly, and more positively, managers have made remarkable progress in making their companies more known and accesstheir companies more known and accessible to the public. The most obvious example is this year book, already in its second edition, and the mass of important slatistical information given on a single comparable basis. This is supplemented by the monthly statistics organised by The Association of Investment Trust Comby Graham Searjeant, Sunday Times (Reprinted from the Investment Trust Year Book 1979)

panies and it is good to see that the leading stockbrokers involved now issue their daily and monthly statistics on an agreed common basis. Paradoxically, this plethora of figures focuses more attention on what the individual trusts and managers are trying to achieve—time previously devoted to abstruse statistical detective work.

Individual boards of directors now often issue more informative and relevant reports to shareholders. Management groups, notably the Electra House group, have merged similar trusts to ease confusion and to make shares more easily traded. Others, like Drayton Montagu, have added their name to identify the

have added their name to identify the trusts they run. In a different way. Foreign & Colonial, Touche Remnant and

Foreign & Colonial, Touche Remnant and other management groups have taken steps to make themselves and their range of investment services better known. And for every public sign more has been going on behind the scenes.

There is plenty of work still to be done in the cause of identification. Big general trusts such as Globe or Dundee's Alliance Trust need no further message. Otherwise, few names are as explicit as GT Japan Investment Trust. There are still seven otherwise unidentified trusts starting London &, ten Scottish . . and six General . . . And often, in the same stable, the main reason for buying one trust's shares rather than another's will be the price on the day rather than differences in objectives.

Final stage of modernisation The final vital stage of modernisation, inevitably a complex and difficult one, will be to sort out and state the objectives of different trusts and tailor them to the varying needs of the 1980s. For the varying needs of the 1900s. For the private investor, there will no doubt be specific emphasis on income growth. capital growth or international spread and protection against currency changes. As things sort themselves out, the big investors may be more interested in special areas of expertise they cannot match on their own.

Here the government, which did so much to damage the trusts in the 1960s, is at last helping a bit. It has lessened

double taxation of capital gains and eliminated the so-called premium surrender rule on overseas investments. This rule had greatly hindered the flexi-bility of the big worldwide trusts, which are the backbone of the movement, to are the backbone of the movement, to make the best of rapidly changing world conditions and it had led them into many technical difficulties with currency and foreign loans. The regime remains far from perfect, but the changes have given them a better opportunity to show their real skills at investment.

Recause of this inflatibility investment

Because of this inflexibility, investment Because of this inflexibility, investment trusts have been driven to emphasise their long-term role. This was never wholly convincing. One useful by product of the disasters of the 1970s is that investors learnt to put little store by sensational results over a few months—which so often reversed themselves.

There are genuine reasons for the long-term look of investment trusts too. When economic, currency and short-term stock market indicators point in different directions, decisions have to be made which may take some time to pay off. So do bold decisions to back developments at an early stage, which investment trusts have the opportunity to make. But we have all learnt Lord Keynes' lesson that have all learnt Lord Keynes' lesson that the long-term is only a series of short-terms put together and that things actually happen in the short-term. So how should we judge? Results over one year are certainly interesting, but need to have a background sketched in. Three to five year records provide a good test and allow few excuses. Managers of investment trusts know and accept that they must in future stand or fall on these tests, now so easy to make.

But there is already a new feeling of confidence abroad in the investment confidence abroad in the investment trust movement, a feeling that the challenges are to be relished rather than avoided. If much modernisation remains to be done, it is, I hope, a matter of time. The will is there. It is naturally disappointing for shareholders that, after ups and downs, investment trust shares still stand at the same average discount on assets as they did in the spring of 1976. But today, that discount may

present a genuine bargain for investors.

The £6,500 million information book



For only £8.45 Investment Trust Year Book 1979

Following the success of the first Investment Trust Year Book last year, the 1979 edition is now available at £8.45 (including postage and packing). It is an essential source of information on an investment medium with assets of over

The contents for 1979 include full details of how an investment trust works, how to buy shares, management and company details, taxation, and complete trust statistics. Make sure you have the information you need to take full advantage of investment trusts: expert professional management at very low cost; investment spread; freedom from dividend restraint; an international outlook; and the ability to borrow which provides gearing. The individual shareholder has additional advantages; capital gains tax concessions and the opportunity to acquire assets at a discount. Please send your cheque for the number of copies you

The Association of Investment Trust Companies. Park House (6th Floor), 16 Finsbury Circus, London EC2M 7 [J Please state I you are an existing shareholder in an investment trust company.

INVESTMENT TRUSTS: net asset values

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets					after dedu	et Value cting prior	Investment	Total Assets					Net Ass	et Value cting prior	Investment
less current liabilities	Company	Shares or Stock	Date of Valuation	Annual Dividend	cha at nominal value	rges at market talue	Currency Premium (see note g)	less current liabili tie s	Company	Shares or Stock	Date of Valuation	Annual Dividend		rges	Currency Premium (see note g)
(1) £million	(2)	(3)	(1)	(5)	(6)	(7)	(8)	(1) £million	(2)	(3)	(4)	(5)	(6)	(7)	(8)
160.2	VALUATION MONTHLY Alliance Trust	Ordinary 25p	31/5/79	Pence ex	cept where £	stated (see i	note d)] 15.8	12.8	Industrial & Commercial Fin. Corpu London Atlantic Inv. Trust	Ordinary 25p	31/5/79	Pence	except where	£ stated (see	note di
90.2 - 134.4	Anglo-American Securities Corpu British Investment Trust	Ordinary 25p Ordinary 25p	31/5/79 31/5/79	3.3 5.7	138.7 202.9	144.2 207.1	7.5 10.4	8.4	North British Canadian Inv. Co Ivory & Sime Limited	Ordinary 25p	31/5/79	3.3	123,4	123.4	0.3
29.2 13.1	Capital & National Trust	Ord. & "B" Ord. 25p Ordinary 50p	31/5/79	74.6 4.4 3.7	185,1 131.4	187.8 131.4	8.8 0.1	46.3 111.9 34.9	Atlantic Assets Trust British Assets Trust	Ordinary 25p	31/5/79 31/5/79 31/5/79	0.4 2.8 0.6	145.0 96.4	151.6 101.8	14.3 7.4 8.6
17.4 99.0	Crossfriars Trust	Ordinary 25p £1 Deferred	31/5/79 31/5/79 31/5/79	2.6 7.8	127.0 95.0 316.5	127.0 96.5 331.2	3.0 10.9	15.6	Edinburgh American Assets Trus Viking Resources Trust Keyser Ullmann Ltd.	Ordinary 25p	31/5/79	1.32	72.7 137.5	74.2 137.5	9.6
46.3 13.5	First Scottish American Trust Grange Trust	Ordinary 25p Ordinary 25p	31/5/79 31/5/79	3.15 2.4	129.7 120.5	131.7 124,5	7.2	12.4 51.3	Throgmorton Secured Growth Tst Throgmorton Trust	£1 Cap. Loan Stock Ordinary 25p	31/5/79 31/5/79	4.875	119.4	18 9.9 121.1	-
75.9 61 .7	Great Northern Investment Trust Guardian Investment Trust Hume Holdings	Ordinary 25p Ordinary 25p	31/5/79	4.5 3.15	148.5 119.5	151.1 124.2	3.2 4.9 4.3	30.8	Kleinwort Benson Ltd. British American & General Trust	Ordinary 250	31/5/79	L85	59.4	60.5	2.0
83.2	Investors Capital Trust	Ordinary 25p	31/5/79	°4.5\$4 2.0	102.1 105.6	105.2 111.0	x1.1 7.3	25.1 35.4	Brunner Investment Trust	Ordinary 25p	31/5/79 31/5/79	4.0 2,45	151.1 81.9	153.8 S4.0	5.5 3.1
17.6 38.8	Jardine Japan Investment Trust London & Holyrood Trust	Ordinary 25p	31/5/79 31/5/79	1.0 4.2	149.3 168.6	149.3 172.2	22.3 9.1	45.5 5.6 3.6	English & New York Trust Family Investment Trust	Ordinary 25p	31/5/79 31/5/79	.3.0 4.6	109.6 127.4	111.2 127.4	4.4 0.1
26.7 50.8	London & Montrose Invest. Trust London & Provincial Trust Mercantile Investment Trust	Ordinary 25p	31/5/79 31/5/79	5.9 3.95	269.9 158.1	274.0 160.6	15.2 9.0	7.5 54.9	Jos Holdings	Ordinary 25p	31/5/79 31/5/79 31/5/79	2.375 3.45 3.0	72.7 120.0 102.3	72.7 122.6 105.7	1.0 3.7 4.7
‡121.1 28.3	Do. Do	Corv. Debs. 1983 Ordinary 25p	31/5/79 31/5/79 31/5/79	1.7 £4.50 3.07	x61.7 £92.70	65.6 £98.40 132.0	1.9 £2.90 7.6	‡53 .2	Lazard Bros. & Co. Ltd. Raeburn Investment Frust		31/5/79	4.05	177.0	183.4	
. 55.1 S.6	Northern American Trust	Ordinary 25p Capital Shares	31/5/79 31/5/79	3.05	129.0 129.7 181.4	142.9 181.4	8.2	‡ 4 0.7	Martin Currie & Co. C.A.	Ordinary 25p	31/5/79	3.0	129.3	131.9	8.9 7.6
62.6	Scottish Investment Trust	Ordinary 25p	31/5/79 31/5/79	3.0 3.8	138.0 149.5	142.0 157.2	6.7 6.0	12.1 20.9	Canadian & Foreign Invest. Trust St. Andrew Trust	Ordinary 25p	31/5/79 31/5/79	4.2 4.9	160.9 167.8	164.7 172.4	6.9 8.2
52.8	Scottish United Investors	Ordinary 25p	31/5/79 31/5/79	1.5 6.3	81.1 255.5	83.5 263.4	6.0 13.7	102.3 25.3 58.8	Scottish Eastern Investment Trust Scottish Onlario Invest. Company Securities Trust of Scotland	Ordinary 25p	31/5/79 k 31/5/79 31/5/79	2.4 2.4 7.05	90.1 89.0	93.0 90.3	5.9 5.9 14.2
445	Shires investment Co. Sterling Trusi Technology investment Trust	Ordinary 250	31/5/79 31/5/79	9.7336 6.3	160.9 250.8	160.9 257.2	13.1	148,0	Murray Johnstone Ltd. Caledonian Trust	l ·	.31/5/79	*1.85	243.1 105.7	261.8 109.2	1
81.1	United British Securities Trust	Ordinary 25p	31/5/79 31/5/79	4.11	180.9	† 182.3 285.6	\$.6	‡71.0 17.5	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	31/5/79 31/5/79	•1.85 ·	100.7 131.3	103.5 133.5	8.5 8.3 10.5
90.5	Do. Do	Ordinary 25n	31/5/79 31/5/79 31/5/79	6.83 4.05 £5.00	278.9 124.3 £136.70	128.4 £141.30	13.3 6.4 £7.00	7.3 ‡79.7	Gienmurray Investment Trust Scottish Western Investment Co	Ord. & "B" Ord. 25p Ord. & "B" Ord. 25p	31/5/79 31/5/79	*1.95 *1.7	109.0 84.4	109.0 87.7	7.5 6.7
127.9	Sentish Morteage & Trust	Ordinam 95a	31/5/79	3.9	150.2	152,7	6.3	‡26.5	Second Great Northern Inv. Trust Schroder Wagg Group] - 1	31/5/79	*2.0	115.6	119.2	9.8
64.6 17.4	Monks Investment Trust	Ordinary 25n Ordinary 25p	31/5/79 31/5/79	1.85 5.6	69.4 276.6	70.0 289.1	2.4 12.0	23.0 7.3	Ashdown Investment Trust Do. Do	Conv. Loan 1988/93	31/5/79 31/5/79 31/5/79	4.6 £4.75 3.0	198.0 £138.60 121.1	204.1 £142.90 121.1	11.8 £8.20 12.4
46,0 25.1	Outwich Investment Trust	Ordinary 25p	S/6/79	1.9	79.7	83.2 95.0	3.4 7.8	32.1 55.0	Broadstone Investment Trust Continental & Industrial Trust	Ordinary 20p	31/5/79 31/5/79	5.7 6.4	212.7 295.3	220.1 304.8	13.5
19.3	City Financial Administration Ltd. "Investing in Success" Equities		25/5/79 15/5/79	1.7 3.35	94.9 244.6	247.3	10.0	131.3 14.4	Trans-Oceanic Trust	Ordinary 25p	31/5/79 31/5/79	5.5 3.3	246.1 151.6	251.9 154.3	16.2 9.5
45.4	East of Scouland Invest Managers Aberdeen Trust	_	31/5/79	3.567	134.7	141.1	5.0	77.8 	Do. Do. Stewart Fund Managers Ltd.	i l	31/5/79 31/5/79	£5.00	£136.40	£138.90 [£8.60
63.3 17.7	Ediaburgh Fund Managers Ltd. American Trust	Ordinary 25p	31/5/79	1.55	62.2	63.4 ° 200.7	2.7 20.2	77.8 14.1	Scottish American Investment Co. Scottish European Investment Co. Touche Remnant & Co.	Ordinary 25p	31/5/79	2.95 1.6	119.7 54.7	120.8 54.7	4.4 2.5
14.3	General Scottish Trust	Ordinary 505	31/5/79 31/5/79 31/5/79	1.3 4.0 £8.50	200.7 124.9 £158.60	127.2 £161.50	4.3 £5.50	111.1 34.7	Atlas Electric & General Trust Bankers' Investment Trust	Ordinary 25p	31/5/79 31/5/79	2.25- 2.55 2.75	95.3 82.6	98.2 87.4	2.5 2.6
8.9	Wemyss Investment Co Electra Group Services Ltd.	Ordinary £1	31/5/79	12.5	397.4	397.4	20.8	34.6 48.1	Cedar Investment Trust	Ordinary 25p Deferred 25p	31/5/79 31/5/79	2.76	98.5 93.1	100.9 97.4	2.5 2.6 2.7 0.7
† ≎ 1 0.9	Electra Divestment Trust	Ordinary 250	31/5/79 31/5/79	5.5 5.5 5.5	†	; ; 138.8	† † 1.3	32.5 17.2 198.4	Continental Union Trust	Ordinary 25p	31/5/79 31/5/79 31/5/79	4.25 2.1 2.15	173.4 104.1 81.7	178.7 108.2 83.9	6.7 3.2 2.6
	F. & C. Group Alliance Investment Co		31/5/79 ::1/5/79	5.5 3.0	136.6 ÷	133.5	† †	44.5 59.0	International Investment Trust Sphere Investment Trust	Ordinary 25p	31/5/79 31/5/79	2.94 4.0	113.7 175.9	118.9 180.4	3.6 6.2 5.1
‡24.6	Cardinal Investment Co	Deferred 25p Conv. Lean 1985/87	71/5/79 31/5/79	3.4 £6.00	130.9 £141.40	134.9 £145.70	4.8 £5.20	74.2 40.5	Trustees Corporation	Ordinary 25p	31/5/79 31/5/79	4.85 4.2	225.4 167.4	231.0 171.5	5.1 4.3
6,8 200,8 31,9	F. & C. Eurotrust Foreign & Colonial Invest Trust	Ordinary 25p	31/5/79 31/5/79	1.0 2.2625	64.4 119.8	64.4 123.9 167.2	5.5 6.6	13.1	Williams & Glyn's Bank Ltd. Sizewell European Invest. Trust		31/5/79 31/5/79	1.8 0.75	97.1	97.1	1.5 2.3
	General Investors & Trustees James Finlay Inv. Management Ltd. Provincial Cities Trust		31/5/79 31/5/79	4.5 †	162.9	101.2	5.5	2.S 3.4	Atlanta Baltimore & Chicago West Coast & Texas Regional	Ordinary 10p	31/5/79	1.1	64.8 80.1	64.S S0.1	4.0
† 7.6	Garlmore Investment Ltd. Altifund Ltd.	Income 50p	31/5/79	10.0	102.3	102.3	2.8	12.2	VALUATION THREE-MONTHLY Safeguard Industrial Investments City Financial Administration Ltd.	Ordinary 25p	30/3/79	4.0	121.1	123.0	-]
27.7	Do. Do	Traital 50n Ordinary 25p	31/5/79 31/5/79	0.5 1.9	318,5 68.8	318.5 71.0 119.1	2.5 2.5 3.9	5.1 17.9	Acorn Securities	Ordinary 25p	29/5/79 31/5/79	5.45	127.6 266.7	127.6 270.9	12.3 9.6
30.2 7.9 5.8	English & Scottish Investors Group Investors Lendon & Gartmore Invest Trust	Ordinary 25p	31/5/79 31/5/79 31/5/79	*2.65 1.9 \$1.0	113.6 94.8 98.8	98.2 102.9	3.9 4.9	400 F	Do. Do	;	31/5/79 31/5/79	7.4	234.7 255.7	238.4	8.5
11.3 24.6	London & Lennox Invest Trust	Ord. & " B " Ord. 25p Ordinary 25p	31/5/79 31/5/79	v2.0 2.8	74.3 114.2	76.5 116.7	3.5 4.1	190.5	Drayton Premier Investment Do. Do Do. Do	Conv. Loan 1993	31/5/79 31/5/79	£7.50 £7.50	£170.50 £171.10	265.5 £177.00 £177.70	12.0 •£8.00 £8.00
11.9 14.5	London & Strathelyde Trust	Ordinary 25p Ordinary 25p	31/5/79 31/5/79	1.6 2.1	65.1 72.0	68.8 72.0	3.4 0.2	78.4	Drayton Consolidated Trust Do. Do	Ordinary 25p Conv. Loan 1993	31/5/79 31/5/79	5.2 £7.50	199.9 £166.60	206.8 £172.40	8.4 £7.00
75.8	Garlmore Invest. (Scotland) Ltd. Scottish National Trust	Ordinary 25p	31/5/79 31/5/79	3.9 2.85	211.1 148.5	214.5 152.3	12.2 9.2	_	Do. Do	"A" Conv. Loan 1994; "B" Conv. Loan 1994;	31/5/79 31/5/79 31/5/79	£6.50 £6.50 5.0	£167.70 £170.80 182.7	£173.50 £176.80	£7.10 £7.20 7.7
18.8 90.3	John Govett & Co. Lid. Barder & Southern Stekhidrs, Tst.	Ordinary 10p	31/5/79	1.7	87.8	89.2	4.1	54.7 \\ 15.9 \	Drayton Commercial Inv. Co Do. Do English & International Trust	Conv. Loan 1986	31/5/79 31/5/79	£6.25 3.8	£146.20 132,2	187.5 £150.00 138.3	£6.10 5.9
42.4 13.3	Debenture Corporation	Ordinary 25p	31/5/79 31/5/79	2.75 2.3 1.8	100.2 161.7	101.5 172.9 79.6	2.7 12.0 6.9	9.2	Do. Do	Conv. Loan 1986 Deferred 25p	31/5/79 31/5/79	00.73 0.9	£160,20 341,3	£167.60 356.9	£7,10 22.0 9.2
18.0 66.5	Govett European Trust Lake View Investment Trust Do. Do.	Conv. Loan 1973/98	31/5/79 31/5/79 31/5/79	1.8 3.0 £4.00	79.6 138.0 £184.00	141.8 £189.10	7.2 19.60	7.8	British Inds. & Gen. Inv. Trust Do. Do.	Cnnv: Loan 1994	31/5/79 31/5/79	3.8 £6.50 1.025	149.6 £171.00 48.8	153.6 £175.50	9.2 £10.50 3.8
66.6 19.1	Stockholders Investment Trust	Ordinary 25p	31/5/79	2.35	138.1	142.7	8.8	16.8 2.5 5.7	Drayton Far Eastern Trust	Ordinary 25p	31/5/79 30/5/79 30/5/79	0.875	62.4 57.3	48.8 62.4 57.3	4.5 2.4
19.1	Berry Trust	Ordinary 25p Conv. Loan 1993 Ordinary 25p	31/5/79 31/5/79	1.0625 . £4.25	96.3 £139.60	96.3 £139.60 x199.1	3,4 £4,90 6,8	1:2.0	East of Scotland Investment Mngrs.	Ordinary 250	31/5/79	S.5	261.0	270.6	13.8
‡18.9	Do Do	Conv. Loan 1987 Ordinary 25p	31/5/79 31/5/79 31/5/79	2.0 £8.50 3.45	200.2 £124.10 183.2	£123.40 188.5	£4.20 6.7	31.3	Pentland Investment Trust	Ordinary 25p	31/5/79	4.55	168.2	173.7	9.3
8.1 27.5	Hambro Group	Ordinary 255	31/5/79	6.95	295.6	305.3	8.8	AMENDMEN Valuation m	TS to table published 18th May, 197 onthly: Jardine Japan Investment	Trust Col. I should	read 18.3;	e de la companya de l		· . · .	
5.1	c: of Oxford Investment 15050		31/5/70 31/5/79 31/5/79	3.85 4.1 -	111.6 156.0 152.7	115.1 165.1 152.7	7.2 0.7	-	London & Holyrood Trust C			700			
	Rosedimond Investment Trust Henderson Administration Witan Investment		31/5/79	- †2.65	131.3	135.8	7.1	* Applies to Or , will announce	dinary/"A" Ordinary only, † Company (b) year-end or interim results shortly he pror charges since the provious (c)	Cols. 1, 6, 7 Ali revenue excluded. Cols. 1, 6, 7 No account I	, account its sas been taken	ms are(t)Col: of any (a)Co	s. 6-7 Prior c prefen	harges are deer ance share cap	ned to include ital.

0.7

4.7 3.1 4.3 1.1

† 1.65

4<u>25</u> 9.15

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125.1

264.2

97.3

83.2

152.5

212.8 127.7 267.8

130.1 100:0

*Applies to Ordinary/"A" Ordinary only. † Company (b) Cols. 1, 6, 7
will announce year-end or interim results shortly† Change in the proor charges since the provious
published layers. § Includes special dividend
ac Adjusted for corp issue. ar Adjusted for rights
issue. xSee note (h) below. © Not directly comparable with previous published ligure. § Dependent
on "B" share conversions.

(a) Cols. 1, 5, 7 Listed investments are valued at
indemarket prices; unitsed at
directors valuation; both include
100 per cent of any investment
currency premium after taking into
account the premium on any
investments.

Amounts per share/stock unit or
per £100 Convertible Loam Stock.
Column 5 precisely stated: columns
6-8 to resurest one-tenth of a panny
per share and 10p per £100 Convertible Loam Stock.
Column 5 precisely stated: columns
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per share and 10p per £100 Convertible Loam Stock.
Column 5 precisely stated: columns
6-8 to resurest one-tenth of a panny
per share and 10p per £100 Convertible Loam Stock. هكذا من الأجل

Prior charges are deemed to include praierence shere capital.

The amount por share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation for Cols. 1, 6 and 7.

Convertible loss/preterence stocks are treated in the way which produces the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges; warrants or subscription rights are traped as unexercised.

NORTH AMERICAN NEWS

SEC to decide soon on disclosure

chairman of the Securities and chairman of the Securities and papers of the difficulties that foreign compared to the control of the difficulties that foreign compared to the control of the difficulties that foreign compared to the control of the difficulties that foreign compared to the control of the difficulties that foreign compared to the control of the contr to get a listing on U.S. securi-ties markets. about U.S. disclosure rules, par-ticularly on lines of business by

standard on financial disclosure was because of financial, and between U.S. and foreign comindeed cultural, traditions very The commission expected to rule shortly on the At the same, he detected no so-called "20K proposal" congreat push in Europe to acquire cerning the amount of infor- U.S. listings, partly because mation that foreign companies companies based there often had

Edper takes

By Robert Gibbens in Montreal BRASCAN stockholders offered

just over 10m shares in response to the bid by Edper

Equities for a maximum of 5m

Brascan shares at C\$ 28 a share.

is two-thirds owned by the

Peter and Edward Brenfman

interests, and one-third by the

Patino mining family, will take

up 49.514 per cent of the total

shares tendered under the offer

This completes Edper's take-

holding company which controls

products and resource areas.

forced Brascan to drop a

worth merchandising giant.

U.S.\$1.2bn bid for the Wool-

Brasean share trading was

halted in New York and on the

Canadian exchanges yesterday

morning, but was expected to re-open shortly.

Scott, Foresman and Co., whose

principal business is textbooks.

Scott, Foresman

share from 16 cents.

Earlier. Edper and Patino

services, consumer

This means that Edner, which

control of

Brascan

But he said the SEC should cult to translate the often high recently the U.S. accounting be concerned if U.S. investors debt-equity ratios in their books profession's self-regulatory clients.

HAROLD WILLIAMS, were deprived of good equity in ways to which the U.S. rating agency, the public Oversight foreign companies claimed in Switzerland, Mr. Williams said

meeting disclosure requirements he found widespread disquiet ties markers.

ticularly on lines of business by
The SEC has voted to warn
The SEC, he said, did not product or geographical area, accounting firms and their
want to operate a double and on executive salaries. This corporate clients that a number is different from the U.S., he said.

lopment, the SEC has added its needed. when auditors provide management on consultancy services to their clients

of the non-audit services the accountants offer may impair independence and so breach SEC rules.

In recent years, the major accounting firms have been mation that foreign companies companies based there often had drawing increasing fees by must make public to investors no need to borrow in the U.S., offering their clients manage-

gencies would react favourably. Board, conjuded that new Stewart Fleming adds from restrictions on such management advisory services are not

> six kinds of service which it suggests auditors probably should not carry out for their clients, although it is not taking the step of banning them. Among the services listed

are actuarial and secretarial services, plant surveys, consulting on pensions, employee benemer surveys, public opinion polls and psychological testing. However, because of cost advantages, internal accounting con-

GTE wins battle over Telenet

BY MAX WILKINSON

legal battle to be able to take switching computer data The take-over, valued at \$55m

throughout the U.S. is an important move in the legal and commercial struggle for dominance of the growing data communications market.

As elephones move into the computer era, the distinction between information sent through the telephone network over of 50.1 per cent of Bras-can, the large Toronto-based and the transmission of computer data is beginning to disnearly C\$ 6bn in assets in the

At the same time, new techniques like facsimile transmission and electronic mail are opening the possibility that computer networks will compete with ordinary letters sent by

tion against the other giants of use the telephone network, but over Telenet, the company the computer and telecommunity which operates a net work for cations industry. International to use a data network like Telementehing computer data Business Machines is moving net.

GTE issued 2m shares to into the data communication: business through its participation in Satellite Business Systems. ITT also has ambitious plans in the field, and both companies will come up against the much debated monopoly of American Telephone and Telegrap over the telephone trans-

> GTE acquisition of Telenet may prove an important factor its aploitation of Viewdata, the electronic informations system for which it has taken a licence from the British Post Office through INSAC, the Goverument's software marketing company.

mission network.

The acquisition of Telenet by modified television set to a com- reached.

GENERAL Telephone Elec. GTE therefore puts the computerised library of informatronics of the U.S. has won its pany into a good strategic position, was orginally designed to tion, was orginally designed to

> Telenet stockholders yesterday at a market value of \$55m in exchange for 2.7m Telenet shares. The deal went through only a day before GTE's deadline for withdrawing its offer. At the last minute the Federal Communications Commission withdrew some of its more onerous conditions for the

The FCC had been insisting that GTE and Telenet should be run as entirely separate finan-cial entities, so that GTE would be unable to cross-subsidise Telenet. These conditions, which were unacceptable to Viewdata, which can link a and a compromise has been

Harding Carpets shows increased loss

BY OUP MONTREAL CORRESPONDENT

raised net earnings to \$27.85m HARDING CARPETS, one of from \$23.09m for the year ended April 30, writes our financial staff. Sales increased to \$225.2m from \$189.9m and earnings per loss of C\$736,000 against a loss ordinary items. share improved to \$2.40 from of C\$462,000 a year earlier, on The quarterly dividend Both figures exclude extra- pany said, because of a five- lower rate of new office and ordinary items.

week strike at its Quebec plant, home construction. is being raised to 20 cents a ordinary items.

The half-year loss was C\$1.2m. and also a fall in demand. Canada's largest carpet pro- against a loss of C\$919,000 a ducers, reports a second-quarter year earlier, excluding extra- in Canada has been suffering

Second-quarter results were sales of \$C16m against C\$18m. poorer than expected, the com-

The carpet-producing industry from over-capacity and demand may be affected this year by a

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Amro Bank has had a representative office in Tokyo since 1976. Like Japanese industry, our business has grown considerably in that time. That's why, as the first stage in our Far East development plans we are expanding into a full branch office in Tokyo, and can provide a comprehensive service from today onwards.

Now we will be able to offer our clients a wider range of services, including loans and deposits in yen, foreign currency exchange and dealing, advice on import and export finance, guarantees, remittances to and from Japan, and documentary credits, all backed by our experience of acting on behalf of international companies.

If you are looking for these, or advice on doing business in the EEC, the Far East or elsewhere, get in touch with Amro. You'll find Dutch financial expertise can make a world of difference.



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Gillette sued by Warner

Lambert MORRIS PLAINS-Warner Lambert has filed a complaint against Gillette, accusing the shaving gear manufacturer of violations of Anti-trust Laws, unfair competition and breach of contract.

The complaint by Warner-Lambert, which markets razors and blades under the Schick name, accuses Gillette of monopolisation attempts to monopolise the

non-electric shaving industry. Warner-Lambert said its suit charges that Gillette has "employed its monopoly power to foreclose competition in the sale of razor cartridges and that Gillette seeks to prevent the truth all advertising and promotion of competitors products."

Warner-Lambert charged Gillette with an attempt to deceive the consumer public by falsely claiming that only its Atra cartridges can be used with the newly-announced Atra Razor

The company said the impact of Gillette's programme is to denv consumers "freedom of brand choice, require the trade to carry unnecessary blade inventories and restrict Warner-Lambert and other blade manufacturers from competing against Gillette." the dominant factor to the

non-electric shave market.
In Boston Gillette denied the allegations by Warra-Lambert. " We denv all allegations in the complaint as we understand them and will visconusly defend ourselves rainst all those claims," said Mr. David Fansch, vice-president corporate relacions. We are satisfied that the design and introduction of the

complies with all applicable The "Atra" Invitation Rater design "was finally determined in the production tooling ordered before Warner-Lambert announced its plans for the introduction of any Schick hlade cartridge which would fit an 'Atra razor." he said.

Atra ' Invitation Razor fully

Increased loss for Arlen Realty NEW YORK-Arlen Realty

and Development Corporation said the decline in revenues of continuing operations was due in part to reduced rentals resulting from the sale of real estate properties. It annonneed a loss of \$120.8m for 1978-79 compared with a lo of \$110m in the previous year. While the company condefault various debt agreements, it said the ranegotiation of its

other creditors is continuing. Definitive agreements and agreements in principle have been reached with a number of creditors. Arlen said it expects the structure agreements will result in an income gain for accounting purposes during fiscal 1986. There are no.

plans to restructure any trade debt or publicly held deben-Arlen said that is accountants, Coopers and Lybrand. said the firm will summit a qualified opinion on its audit.

Arien also said the loss reported for financial report-

Korvettes may be partially offset in future years to the extent that it receives certain contingent payments from the vided for in that transaction. As a result of the loss for holders' equity declined to a deficit of \$211.5m.

GM reaffirms dividend policy

NEW YORK - A General Motors Corporation spokes man dented news reports of "a lower dividend in the near future" and reiterated the company's policy to " pay divi-dends which over the longer term will compensate for inflation and provide a real return to Stockholders on their investments.'

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In a short statement, General Motors pointed to the recent increase in the com-pany's regular quarterly divithe second quarter of this year as well higher dividends in the first six months.

dent regarding the current outlook both for the economy and for car sales. There has been no change in the dividend policy of GM which is to amount from current earnings the outlook and the indicated capital needs of the

statement, GM reiterated that it is currently forecasting capital spending at \$5.5bn in 1979 and in the

EUROBONDS

U.S. statistics and build-up of new issues hit prices

gave up some ground yesterday, as the market's recent rally lost

The continued build-up in new issues and uncertainty ahead of the latest U.S. money supply and industrial output statistics overshadowed trading, option.

according to dealers.

The U.S. industrial holding company. IC Industries. is aunching a \$75m 12-year bond. The issue offers a new twist to the convertible/fixed formula seen on a couple of recent issues.

recent issues.

The bond will carry a floating rate of interest of a percentage points over Eurodollar interbank rates, with a simultaneous optional fixed rate of interest of 82 per cent. This conversion option will be offered throughout the bond's life.

Manufacturers recently offered a \$100m con- Australia issue, reportedly imvertible where the flixed posed tight allocations to under-pround the interest option was only avail-writers. The issue had been this week.

Finland's TVO chose another method when it offered \$30m of to a fixed rate was automatically triggered by falling Eurodollar rates, and not at the investor's

Lead manager for this latest issue, Banque de Paris et des Pays Bas, considers that its fermula gives investors added protection against falling interest rates. Invitation telexes for the bond, which has a 10-year average life, were being sent out last night.

Among new issues freed for trading the \$100m of Kennecott bonds, bearing 91 per cent at 991, were being quoted yester-

Credit Suisse First Boston, the per smid strong demand. Hanover sole manager for the \$50m Alcoa

EURODOLLAR bond prices able for the first seven years of heavily oversubscribed. But it gave up some ground yesterday, the 15-year life. drifted to 991-991 in initial

trading. . In pre-market trading, several other issues were moving well. The \$55m of GTE bonds were indicated as less 1\(\frac{1}{4}\) to one, while the \$100m Unilever issue was quoted at less 1\(\frac{1}{4}\) to \(\frac{1}{4}\); and was reported by dealers to have

already been sold out. The market in Deutsche-Mark Eurobonds was largely nominal due to the closure of German centres

The DM 100m seven-year issue for the Inter-American Development Rank has ben priced as par by the lead Deutsche Bank. The DM 200m 72 per cent issie as par for Sweden, via Dresdner Rank. was quoted vesterday at 991 to Both issues have hencefted on the herter sentiment. from around the DM bond markets

Strong second half seen by Eagle-Picher group

CINCINNATI — Eagle-Picher In fiscal 1978 ended Novem-Industries, a chemicals and ber 30, Eagle-Picher earned group, expects \$2.70 a share. business to continue strong in the 1979 fiscal second half, with been experiencing increased the rate of earnings gain for demand for its products going the year above that of its trend into smaller cars which has off-

set volume losses due to lower The company, which earlier sales levels for full size autos, reported improved 1979 first Eagle-Picher said, however Eagle-Picher said, however half results, said its earnings that profit margins tend to be

Eagle-Picher noted that it has

per share have grown at a lower on these types of parts 10.9 per cent annual com- and will affect its automotive pounded rate over the past 10 graup's performance

Bank shares suspended

Comptroller of the Currency trading for a 10-day period taken by the Federal Deposit beginning yesterday in the Insurance Corporation which stock of southern may affect the bank's status as common National Bank, Birmingham, an insured bank." Al°bama.

the trading suspension was market, ordered "at the request of the AP-DJ:

— The bank to permit time for Currency dissemination to the public of announced the suspension of information concerning action

The bank's securities are The comptroller's office said traded in the over-the-counter shaky Canadian dollar and

Warning for Canadian

borrowers By Our Montreal Correspondent

COMPANIES HAVE been advised to raise new funds at . once, because interest rates may climb higher and the money market tighten, says Mr. Peter Campbell, life president of t Wood Gundy, Canada's largest investment concern.

Short-term interest probably have not yet peaked, and long-term rates have hit their bottom level, Mr. Campbell, said in Toronto.

"This is by no means a headfor the hills scenario but it is an argument for companies to accelerate financing plans to take advantage of the unique cost structure in the market."

Any drop in short-term rates will be modest because of the pessimistic expectations about the U.S. economy, he said.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on June 14

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INTERNATIONAL COMPANIES and FINANCE

may take Honeywell **Bull stake**

M. ROGER MARTIN, the chairman of Saint-Gobain-Pont-Mousson, has confirmed that a-mousson, has continued that the company would like to take a large stake in Cli Honeywell Bull, the French computer group which is just emerging from a period of state-assisted reorganisation.

Speaking to shareholders at the St. Gobain annual meeting, M. Martin said that the project had been under evaluation for some time and was not yet

But he made it clear that the group was pinning its hopes on a diversification into the elec-tronics and information field.

He also expected this year's turnover to show a 10 per cent rise on the FFr 34.2bn (\$7.74bn) Rumours of changes in the

Honeywell Bull have been circulating for some time. The main hope for St. Gobain is that it can buy out the 20 per cent stake held by the Compagnie Generale Electricite (CGE), the French electrical group, in Machines Bull, the majority shareholder in Cii Honeywell.

CGE said earlier this week that it was studying proposals for the future development of the French computer company, in which Honeywell Informa-tion Systems of the U.S. holds

a 40 per cent shareholding. CGE's remarks indicate that tough negotiations are going on between the two companies and the French state, which is also a shareholder in Machines Bull. But it is widely believed that the electrical group would not be averse to a sale on the right terms because of its own interest in the information systems industry in which Cii has been developing its activities.

St-Gobain's objective is to

move into a dynamic sector which can help to improve on the sluggish earnings record in its traditional businesses such as fiat glaze, packaging, fibres and aspestos. The opportunity for the company to make this change lies in its strong cash

Although M. Martin told shareholders that the group's reorganisation policy was beginning to throw up signs of an improvement in France, the forecast for sales growth stands at about the same level as last year's -10- per cent. This will allow the company to stay roughly level with the projected rate of inflation.

NCR acquires data concern

AUGSBURG - NCR Deutschland GmbH, a subsidiary of the NCR Corporation of the U.S., has acquired Data Pathing Europa GmbH (DPI) of Cologne, a company specialising AP-DJ

St. Gobain Rhone-Poulenc in U.S. expansion

BY TERRY DODSWORTH IN PARIS

the company is also aiming to broaden its business base in American operations, which had reached "very substantial" and communications industry and pharmaceuticals.

Outlining these plans in Paris yesterday, M. Gaetano Pirrone, deputy managing director of Rhone-Poulenc, said that profits of some \$5m.

These profits will be offset for tax purposes against losses carried forward on the American operations, which had reached "very substantial" proportions by 1976.

The French group, a late arrival on the U.S. scene compared with most other European chemicals companies, is also planning more acquisitions. But these will be mainly aimed at consolidating its position. The approaching \$200mi this uncorrected the group will have two main operating arms, Rhone-Poulenc Chemical, have two main operating arms, Rhone-Poulenc Chemical, and Rhone-Poulenc Systems, the former Anken interests. The third branch of business, and pharmaceuticals, will be main-pharmaceuticals, will be main-pharmaceuticals, will be main-stake.

These combined operations (value) is proportion. The company in the U.S. should rise to company in the U.S. should Planning more acquisitions. But These combined operations of these will be mainly aimed at will have a turnover of the main holding company in the U.S. should rise to \$6m this the U.S. have now been established following the acquisition central in the u.S. and \$1m in 1977. The of Anken in the information stake.

These combined operations the approaching \$200m this year. About 60 per cent of the business is in fine chemicals, 25 per cent in agro-chemicals and 15 to per cent in specialised products.

RHONE-POULENC, the diversified French chemicals company, planned absorption of Anken
will be investing between
FFr 200m and FFr 300m
(\$68m) a year in its attempt to
establish itself as a significant
force in U.S.

These profits will be influenced by the
and communications sector.

As a result of the merger of
Anken with Rhone-Poulenc
As a result of the merger of
Anken with Rhone-Poulenc
Incorporated the group will it would create a hoding comhave two main operating arms,
force in U.S.

These profits will be offset for
tax purposes against losses

The company is also siming company and Rhone-Poulenc Systems the
Nationale Industrielle Agrepany to manage the state's interests in the two French aviation companies Societe Nationale Industrielle Aerospatiale (SNIAS) and Societe des Avions Marcel Dassault-Brequet Aviation, Reuter

reports.
Acrospatiale is wholly state-owned, and the Government has held a 21 per cent interest has held a 21 per cent interest (with double voting rights) in Dassault for the ast two years. The government had originally intended to co-ordinate the activities without affecting their autonomy or their

Lurgi sees peak order inflow

LURGI, the West German heavy year — also a good year for the engineering group, is expecting group. The order inflow shows 1978-79 to be a record year for a striking improvement over orders. Already projects worth 1977-78's DM 1.46bn, which, engineering group, is expecting 1978-79 to be a record year for orders. Already projects worth some DM 2.6bn (\$1.36bn) have been firmly booked and as others are in course of negotiation. tion, the figure could be far higher when the business year ends on September 30.

order inflow far exceeded the group's plans and was well slight above the previous year's levels. year. However, it had been generated But by a few large projects and, had they failed to materialise, there would have been a "catastrophic" decline in the value of

bookings. He warned that the earnings potential of the orders booked the total inflow in 1977-78.
had declined in relation to the volume. He blamed this on increased costs and rising com-

petitive pressure. Even so, the group's order

itself, was slightly higher than the previous year's level. proved performance to continue into 1980, taking the group's

ends on September 30.

Dr. Dietrich Natus, Lurgi's of DM 2bn. In 1977-78 group chief executive, said that the sales stagnated at about DM 1.5bn, although earnings were slightly higher in the previous But the group — a sub-sidiary of Metallgesellschaft—

is heavily dependent on overseas business and this is caus-ing the management concern. weak at only 16 per cent of the total inflow in 1977-78.

munist bloc countries. Orders from members of the Organisation of Petroleum Exporting book currently stands at DM Countries accounted for 18 per could be forced 3.8bn compared with DM 2.5bn cent of orders, while developant the end of 1977-78 business ing countries generated 11 per stabilise its prices.

cent: western Europe and other industrial countries placed 15 per cent of the book ings. In 1978-79, the group's reliance on overseas business increased as a substantial chunk of the orders came from

The fears are further fluctuations in the world's leading trading currencies — particularly a renewed weakening of the dollar — and the growing tendency for governments to subsidise exports.

Lurgi is still managing to do most of its business on a Deutsche-Mark basis. but Dr. Natus said there was a growing trend for customers to tract currency. This was particularly true of the Chinese. This mean that Lurgi, which places large orders for equipment with outside suppliers, could be forced to foreign

Four month surge by PK banken

banken reports a January-April with Sweden's central bank will operating result of SKr 249m not only earn as much as they (\$57m), up 49 per cent from would on special term deposits SKr 167m for the same period elsewhere, but will enjoy special last year. The bank attributes tax benefits as well. the improved earnings to rapidly expanding business volume, a lower average discount rate and a higher yield on its bond portfolio. However, it predicts that results for

1979 as a whole will not show this rate of improvement. The four-month operating result is given after deduction of a newly-introduced calculated provision of SKr 13.3m for pos-sible lending losses, and figures for 1978 have been adjusted accordingly. The bank had previously charged such losses

against reserves. One of the factors the bank ing on July 1 under which com-

Standard Chartered

announce that on and

after 15th June, 1979

the following annual rates

will apply:

Base rate 14%

(Increased from 12%)

Deposit rate (basic) $11\frac{1}{2}\%$

(Increased from 91%)

Standard Chartered
Bank Limited

114-116 St. Mary Street, Cardiff CF1 1XJ

Commercial Bank of Wales

announces that, for balances

15th June 1979

15% per annum.

in their books on and after

nd until further notice

r Base Rate for lending is

¢

Commercial

Bank of Wales

Limited

BANC MASNACHOL CYMRU

SWEDEN'S state-owned PK- panies placing surplus funds 3.3 per cent rise on year-end

In January-April 1979 the disrount rate averaged 6.5 per year earlier. This boosted earnings by some SKr 40m since interest yield on the bank's bond portfolio is fixed in the short term while financing it became cheaper. But these effects will fade away later this year, because the present discount rate was set in July 1978.

Business volume has grown so fast that equity capital plus SKr 21.6m a year earlier. Sales reserves appear unlikely to stay rose by 3.5 per cent to

PRIPPS, the mainly state-owned company which is Sweden's biggest brewer, predicts that pretax earnings for the year end-ing September 30 will be SKr 5-10m less than the 70m (\$18m) it recorded the previous year on turnover of SKr 1.35bn (\$308m). The concern had earlier forecast a slight improvement in profits, writes Victor Kayfetz in Stock-

The interim report for the seven month period October-April shows a pre-tax profit of SKr 11.5m (\$2.6m), down from balance sheet total, which at changed, with sales of beer and SKr 61.7hm (\$14.1hm) on April other mait beverages down earnings is a new system start- 30 represented a 15.6 per cent slightly and those of soft drinks

Belgian chemical group continues recovery

achieved last year by Union Chimique Belge (UCB), the Belgian chemical and packaging film company, has been followed by further progress so far in 1979, although there is still caution over lasting recovery

Addressing the annual meeting, M. Paul Foriers, the chairman, said the recent level of activity "has been good, better even than we anticipated." This was particularly true of the chemical sector, where demand

had been lively.

UCB, which has not paid a

with a net profit of BFr 103m (\$3.4m) compared with a 1977 deficit of BFr 397m.

M. Foriers said that there could be no real certainty about prospects until final consumer demand showed clear signs of increasing "and thus sumer of a healthier market position, which is the precondition of a

durable recovery."

Despite the climb from loss to profit last year, UCB still has some way to go before return-ing to its 1976 group earnings level of BFr 184m. Exceptional profits of BFr 129m before tax UCB, which has not paid a aided the 1978 profit picture dividend since 1976, moved considerably. Total sales gained sharply out of the red last year a mere 3 per cent to BFr 17.7bn.

DG BANK

DG Bank Finance Company B.V.

U.S. \$50,000,000 Floating Rate Note Issue due 1982

For the six months 15th June, 1979 to 17th December, 1979 the Notes will carry an interest rate of 10% per annum.

By: Morgan Guaranty Trust Company of New York, London Agent Bank

To the holders of

The Long-Term Credit Bank of Japan, Ltd. Negotiable Floating Rate U.S. Dollar Certificates of Deposit - Maturity date 15 December 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the third six month interest period from June 15, 1979 to December 17, 1979 the Certificates will carry an Interest Rate of 10%% (ten and three eighths per cent)

Reference Agent The Chase Manhattan Bank, N.A., London

Profits rise as sales decline at Esso AG

HAMBURG—Esso A.G., the West German unit of Exxon. had 1978 net profit of DM 253m (8132.5m) which showed a sharp improvement from a 1977

Esso sales actually declined 1.8 per cent to DM12.455bn last year from DM12.68bn in 1977, while sales of oil products rose 2 per cent to 20.3m metric tons from 19.9m tonnes.

The company ascribed its sharply improved earnings to a of measures Esso initiated some time ago to increase profitability.

Refinery production had been adjusted to the increased demand for gasoline and light heating oil, and energy savings measures were instituted in the conversion at refineries of pri-mary energy into secondary

Gasoline accounted for 22 per cent of the company's 1978 sales, up from 20 per cent in the preceding year, while the share of light beating oil in sales rose to 54 per cent from 47 per cent.

It benefited from a stabilization of prices on the West German market for petroleum products and from the fact that the sharp rise of the Deutsche Mark against the dollar had allowed crude oil procurement at advantageous conditions.

In 1978, Esso's capital spending rose 7 per cent to DM430m from 1977.

Esso said that it and its parent Exxon, were more affected than other oil comsupply shortage of 5 per cent not only because Exxon had lost its share in the production of the Iran consortium but also at the current percentage of the SKr 742m, but volume was un- because other oil companies and producers are not deliverg the quantities they tradition ally used to supply to Exxon.

These supply shortages can-not totally be covered by shortterm purchases elsewhere, according to Esso and the company advised its customers and partners recently that it would not be able to totally cover alk their requirements.

In the light of this Esso said it would try to contribute to adjusting demand to limited supplies by constantly pointing to the need to save energy and would attempt to counter inflationary trends through a moderate price policy. Esso would conduct a careful purchasing policy so to avoid unnecessary price rises on international oil markets and build up stocks to safeguard the market supply in the coming winter. AP-DJ

Activity in new issues eased by Swiss

By Our Financial Staff SHARP CUTBACK in new

issue activity on the Swiss capital market is proposed for the third quarter of this year. The Swiss Capital Market Commission has set at SWFr 8-4m the amount of new money to be raised on the domestic bond market during the three months to September. Against the third quarter of 1978, this figure represents a decline of a filh.

The second quarter of 1279

The second quarter of 1379 saw SwFr 1.30bn of new money raised, while the third quarter of last year produced new funding of SwFr 1.05bn.

Taking in the summer holiday "lull." the third quarter is traditionally a slack period. Even so, for 1979 it appears likely to coincide with a bout of

likely to coincide with a bout of prolonged uncertainty for the

prolonged uncertainty for the bond market.

Against a background of rising capital outflows in line with the foreign exchange recovery of the dollar, the market in Zurich has become unsettled. The situation prompted the Swiss central bank to market earlier this month to to move earlier this month to boost bank liquidity.

O Swiss chemical concern Ciba-Geigy is to acquire the capital of S. J. Tutag of the U.S. for some \$8.5m. Tutag, which is based in Colorado, employs 380 persons in the manufacturing marketing of pharmaceuticals and proprietary goods. The deal is the most recent in a series of Ciba-Geigy acquisitions in the U.S.

RATES on offer to the public. Coutts & Co. announce

that their Base Rate will be increased from 12% to 14% per annum on 15th June, 1979 until further notice.

monies subject to seven days' notice of withdrawal will increase from $9\frac{1}{2}\%$ to $11\frac{1}{2}\%$ per annum.

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June 1979

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TRUSTEE SAVINGS BANKS Central Board, P.O. Box 33, 3 Copthall Avenue, London EC2P 2AB.

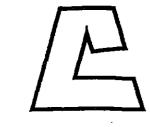
RATES

Every Saturday the Financial Times publishes a table giving details of BUILDING SOCIETY

For further details please ring 01-248 8000 Ext. 424



The Deposit Rate on



AFARGE

Group turnover	1978 FF 0CO's 6,544,736	1977 FF 000's 6,320,726
Total profit before taxation	382,584	358,027
Total profit after taxation	163,371	181,527
Profit after taxation and translation gains attributable to members of the Company	220,105	159.715
Cash-flow	695,053	632,412
Earnings per share	FF 38.63	FF 34.35
Dividend per share	FF 13.40	FF 11,18
Tax credit per share	FF 6.70	FF 5.59
Total dividend per share	FF 20.10	FF 16.77

Salient points from the Report to the Shareholders

- The net profit attributable to members of the Company shows an increase of 38%. This is principally due to:
- the increase of 31% of the result of the operating group "Cements and Concrete in France" due mainly to the lifting of Government control of selling prices at mid-year,
- the profit of 8.9 million francs of the operating group "Refractory products and furnace construction", against a loss of 8.5 million francs
- The translation gains for the year amounted to 37.6 million francs, against 8.7 million francs in 1977 (shown as extraordinary items). These represent gains on translation of the net monetary assets of foreign companies, particularly in Canada.
- It is proposed to the next Annual General Meeting to fix the dividend per share at FF 13.40, an increase of about 20% over 1977. This dividend will also apply to the new shares issued in October 1978, which will result in a 47% increase of the total distribution.
- Profits are expected from all the operating groups in the coming year.

28, rue Émile Ménier, Paris 16e. Tel: 502 11-10. Telex: 620804 F.

SONY CORPORATION

.S. accounting rule holds back profits

CONSOLIDATED net profits of The FASB problem apart, year. Sony Corporation fell by 35.6 officials were pleased by the Vice per cent to Y7.88bn (\$35.8m) results, pointing to a substan-CONSOLIDATED net profits of in the six months to April 30, from Y12.22bn in the same

Under the impact of the U.S. ccounting requirement, FASB 8, applying to foreign currency translations, net income for the second quarter alone was down by 49.3 per cent to Y3.46bn. Consolidated sales reached 3

record of Y294.21bn (\$1.3bn) for the first half, up 15.3 per cent, and totalled Y143.87bn in the quarter, for a gain of 20.7

tial rise in pre-tax operating profit of 98.0 per cent to -Y34.57bn in the half, and the sharp gain of 199.3 per cent to Y19.26bn for the quarter. They period of the previous year—
but would have doubled but for
the following of the U.S.
Federal Accounting Standards
Board guidelines, the company

The same profit of 58.0 per cent to
y34.57bn in the half, and the
sharp gain of 199.2 per cent to
Y19.26bn for the quarter. They
said that strict measures to
rationalise production costs and

higher value-added product sales were behind the increases. Overseas sales accounted for 56.9 per cent of the total, up 13.4 per cent to Y169.54bn while domestic sales gained 17.8 per cent. Home video tape recorder sales gained 36.3 per cent to Y54.96bn, while television sales rose 4.6 per cent to Y80.46bn. The company expects that tele-

Video tape recorder sales were boosted by the introduction of new models with longer playing times. A cheaper model Magnetic tape sales were

of all sales, and pushing miscel-laneous sales up 27.3 per cent to

Sony's overseas sales to Africa, the Middle East and South-East Asia, about one-third of the total, were up by nearly 50 per cent, while sales in Europe gained about 30 per cent. U.S. sales in yen terms, also roughly one-third of the total, were down a little after consolidation, despite a dollar-based sales increase vision sales this year will rise of about 15 per cent, as a result to over 2m sets, from 1.9m last of the FASB requirements.

Sony said that if accounting procedures used up until 1976 concerning translation of foreign currencies from foreign subsidiaries had been applied there would have been a sharp increase in profit. Sony officials are advocating the abandonment of the FASB rule which calls for translation of those foreign currency transactions at histori-

cal rather than at current rates.
A good part of the accounting loss is not subject to favourable tax treatment in Japan. Sony's parent company results lend weight to the group's statement on FASB's effect on consolidated net profits. The parent's net profit in the half was up 23.8 per cent to Y11.355bn, on a sales gain of 10.7 per cent to Y217.92bn. per cent to Y217.92bn.

Accounting procedures have played havoc with Sony's results over the past year. In one quarficially high, because of a sharp appreciation of the Japanese currency. This has not helped the company's image as it has attempted to pull out of a period of difficulties.

Despite the main problems in the world economy, Sony expects that good progress will be made during the second half of this fiscal year. It does not expect any adverse impact on sales even if the U.S. slips into a long-awaited economic recession seeing most of its customers as being in income brackets which will not be squeezed by a slow

Earnings increase at Volkskas

By Our Johannesburg
Correspondent
VOLKSKAS — South Africa's major Afrikaner-oriented bank, with diversified industrial interests—increased its taxed profits by 35.1 per cent, to R22.8m (\$27m) in the year to March, from R16.8m the previous year, as a result of largely improved contributions from its sugar subsidiary, Transvaal

The preliminary report indi-cates that Volkskas' net asset value has increased to R3.08bn from R2.92bn. An improvement in banking operations also played an important role in lifting earnings, which amounted to 102.6 cents a share, against 78.1 cents. The final dividend is raised 3 cents to 15.5 cents. bringing the year's total payout to 26 cents, compared with 22

Saudi British Bank The Saudi British Bank opens ils new branch at Qatif on Saturday as part of an expan-sion which earlier this year added a branch in Jubail to those in Jeddah, Riyadh, Alkho-

bar and Danimam

Petronas reveals profits above U.S. \$300m in 1978

BY WONG SULONG IN KUALA LUMPUR

ringgit in 1976, Datuk Hussein Onn, the Prime Minister, told Parliament.

However, from 1976 to April this year. Petronas incurred a book loss of 95m rangelt as a result of the depreciation of its holding in U.S. dollars.

This is the first time that profit figures have been released for Petronas, which is registered as a private company. In 1975, the first full year of operation, it made a loss of some 500,000

to help the banks reduce losses

Purchases would be made

PETRONAS, the Malaysian Opposition member, who asked state oil company, it is revealed, made profits of 674m ringgit sider switching its investments (U.S.\$302m) in 1978, against 662m ringgit in 1977 and 250m

Opposition member, who asked operation between Petronas and Alberta on development of oil.

Mr. Sid Laverty, the mission leader, said that the team discussed with Petronas various Datuk Hussein said that there

was no intention to switch substantially away, because Petronas was involved in several major projects that had to be paid in U.S. dollars. Also, such investments were yielding satisfactory rates of return. Since August last year, how-

ever, the current income of Petronas had been converted into Malaysian currency, and invested at home.

Meanwhile, a visiting oil mission from the Canadian pro-The information was given in vince of Alberta has expressed 850m from income reply to a question from an optimism of prospect for co- 150m from royalties.

Official bond purchases in Japan

The purchases would be con-

price would be the so-called

theoretical price, between Y0.02

Japanese banks had asked the

TOKYO-The Finance Mini- use cash from its Trust Fund stry is to buy Y700bn of Bureau and National Bond Con-

arising from a sharp fall in fined to 6.1 per cent 10-year Y7000n. secondary market prices of National bonds issued towards Second National bonds, ministry the end of 1978. The purchase other 6

national bonds from Japanese solidation Fund for the purbanks as an emergency measure chases.

through swap contracts, under and Y0.03 above the issue price which banks will buy back of 99.5 per cent.

possibilities for cooperation, in-cluding the sale of drilling bits, and the local manufacture of oil

and gas equipment Alberta produced 85 per cent of Canada's oil and gas, said Mr. Laverty, and it was capable of providing advance technological expertise and equipment for Petronas' needs.

Datuk Hussein, in reply to another question in parliament, said that the Federal Government was expected to receive 1bn ringitt from oil this year-

Exchange of the bonds, of which

Y1,900bn were issued, but the Ministry decided to list from

July 1, after buying back the

Secondary market prices of

other 6.1 per cent national bonds issued earlier in 1978 and

already listed on the stock ex-

change have fallen to a record

low of 86.07 per cent, or a yield

ATL sells its U.S. division

ATL, the Australian electronics., and totalisator group, yesterday upset Smorgon Corporation's takeover hopes with the announcement that the group had sold its successful U.S. operating division for A\$14.5m - A\$500.000 more than the current offer.

The U.S. subsidiary, Autotote, will go to an undisclosed American company recently formed by investor clients of a Boston merchant bank. ATL directors said that further details would be given at an extra-ordinary meeting of shareholders to be called to approve the deal. The directors would say yester-

day only that the sale price was U.S.\$16m, with U.S.\$12m payable in cash on completion and the rest by the issue of 6 per cent convertible preference stock.

The transaction means that the

privately-owned Smorgon, will have to reconsider its strategy, after buying a 17 per cent stake in the company before launching a A\$1.45 a share bid for the ordinary capital and A\$1.92 for each preference share on Tues-

Mr. J. R. Palmer, ATL's general manager, said that simultaneously with the sale, agreement would entered into between ATL, Autotote and the buyer to pro-vide for full cross-representation and exchange of wagering system technology and pro-ducts for a period of five years.

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CORAL INDEX: Close 472-477

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a year. The Ministry would Finance Ministry to defer list- Reuter

officials said yesterday.

March 1979

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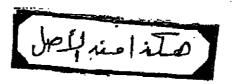
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Pound falls in quiet market

THE UNWINDING of a large forward position in sterling was the only major factor in very quiet foreign exchange trading yesterday. The pound opened at \$2.1045-2.1055 and rose to a high point of \$2.1055-2.1065 in early husiness. After sattling at point of \$2.1055-2.1065 in early business. After settling at \$2.1030-2.1040 for most of the morning, sterling lost 1 cent to \$2.0930-2.0940 at lunch time, as the commercial order to sell sterling and buy D-marks hit the market. This was helicved to bave come from Paris, but once out of the way trading resumed. out of the way trading resumed a very quiet pattern once more, with the West German market closed for a public holiday. The pound closed at \$2.0953.2.0963, a

fall of 82 points on the day.
On Bank of England figures. sterling's trade-weighted index fell to 68.2 from 68.6, after standing at 68.5 at noon and in early trading.

The dollar's index, as calculated by the Bank of England, was unchanged at S6.S. The U.S. currency showed little movement against most other major currencies. easing to DM 1.9075 from DM 1.9035 against the D-mark, and to SwFr 1.7270 from SwFr 1.7300 in terms of the Swiss franc.
In terms of the French franc. the dollar declined to FFr 4.4100 from FFr 4.4175, and to Y220.125 Y220.20 against the Japanese yen.

BRUSSELS.—The Belgian francimproved slightly against the D-mark with the help of the Belgian Central Bank, which sold around DM 30m in the market. Belgian Ceotral Bank, which sold around DM 30m in the market. The franc was fixed at BFr 16.055 still close to its floor level of BFr 16.074. It was also slightly firmer against the dollar and sterling but eased in terms of the Italian lira and French franc.

milan—Sterling was fixed helow its best level against the lira, but still reached a record high. The pound was quoted at L1.789, compared with L1.787.3 on Wednesday and a lop rate during the morning of L1,794.9. Elsewhere the dollar continued to show a weaker tendency and was fixed at L852.45 against L853.05, while EMS currencies were fixed slightly higher overall

compared with Y219.875 nesday, still buoyed increases in Japan's prices and imports. Sp over a possible wors Japan's trade balance have contributed unit's firmer trend. the dollar reached before easing back slightly to its closing level.

EMS	EUROPEAN	CURRENCY	UNIT	RATES

	ECU central rates	Currency amounts against ECU June 14	 change from central rate 	°, change adjusted for divergence	Divergence limit %
Belgian Franc Danish Krone Berman D-Mark Franc Franc Dutch Guilder Fish Punt talien Lira	39,4582 7,08592 2,51064 5,79831 2,72077 0,662638 1148,15	40 5441 7. 28458 2. 52433 5. 8.1248 2. 76343 0. 659378 1127.68	+2.75 +2.80 +0.55 +0.76 +1.75 +1.02 -1.78	+1.74 +1.79 -0.47 -0.26 +0.73	±1.53 ±1.635 ±1.1325 ±1.35 ±1.5075 ±1.665 ±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

	CURF	ENC	Y RA	TES
ar rose moderate Y220.725 5 on Wed-			Special Drawing Rights	
by sharp wholesale peculation sening in may also the U.S. one point Y221.20,	Sterling	912 1114 314 9 8 4 7	1.48753 17.8693 38.9362 6,99481 2.42461 2.65644 5.61679 1082.37	1.321 1.550 18.61 40.56 7.283 2.526 2.767 5.849

						, -
June 13			European Currency Unit	June 14		Guaranty
Sterling	91 ₂ 111 ₄ 33 ₁ 9 8 4 7 91 ₂ 101 ₂ 41 ₄ 7	1.26890 1.48753 17.8693 38.9362 6.99481 2.42461 2.65644 5.61679 1082.37 279.158 6,60462	1.52176 1.55001 18.6168 40.5644 7.28348 2.52659 2.76734 5.84939 1127.45 291.181 6.87535	Sterling	B1.0 144.8 112.6 112.5 149.4 193.3 122.7 9B.2 54.5	-36.2 -6.8 -16.9 +18.4 +12.8 +1.9 +41.6 +80.2 +18.4 -7.3 -48.9 +30.5
Swedish Kr Swiss Fr		5.56032 2.19685		Washington agreen (Bank of England I	ent Dece	mber, 1971

THE POUND SPOT AND FORWARD

35c pm-15c d 3½-1¾lire pm 5-3 pm 3¹--2¹½c pm

8 79 3.67-3.62 pm 8.44

CURRENCY MOVEMENTS

THE DOLLAR SPOT AND FORWARD

OTHER MARKETS

852.35-852.70 5.1960-5.1980 4.4100-4.4200

June 14	£	S		<u>£</u> Note Rates
Argentina Peso	2690-2710	1283-1293	Austria	29.30
Australia Dollar	1.8895-1.8945		Belgium	6614-673:
Brazil Cruzeiro	53.16-54.16	25.35-26,85	Denmark	11,53-11.63
Finland Markka	8.39-8.41	3.9940 3.9960	France	9.22.9.32
Greek Drachma.	77.721.79.595		Germany	
Hong Kong Dollar	10.7560-10.7560	5.1220-5.1250	Italy	1.760-1.300
ran Rial	152-160	7212.7512	Japan	457.467
Kuwait Dinar KD			Netherlands	4.35.4.45
Luxembourg Fra.			Norway	10 87-10.97
Malaysia Dollar			Portugal	101-106
New Zealand Dir.			Spain	.13614-13912
Saudi Arab. Rival			Switzerland	
Singapore Dollar.			United States	
Sth. African Rand			Yugeslavia	

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

June 14	PoundSterling	U.S. Dellar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dolla	r Belgian Fran
Pound Sterling	0.477	2.096	3.998	461.3	9.243	3.620	4.884	1787.	2.457	54.18
U.S. Dollar		1.	1.907	220.1	4.410	1.727	2.092	852.5	1.172	\$0.62
Deutschemark	0.250	0.524	1.	115.4	2.312	0.906	1.097	447.0	0.615	15.05
Japanose Yen 1,000	2.168	4.544	8.567	1000.	20.04	7.848	9.504	3874.	5.327	139.1
French Franc 10	1.082	2.268	4.325	499.1	10.	3.917	4.745	1953.	2.659	69.44
Swiss Franc		0.579	1.104	127.4	2.553	1.	1.211	493.6	0.679	17.73
Dutch Guilder	0.228	0.478	0.912	105.2	2.108	0.826	1.	407.6	0.561	14.64
Italian Lira 1.000	0.560	1.173	2.237	258.2	5.173	2.026	2.45ā	1000.	1.375	35.92
Canadian Dollar	0.407	0.853	1.627	187.7	3.761	1.475	1.784	727.1	1.	26.12
Belgian Franc 100	1.558	3.266	6.229	718.7	14.40	5.640	6.830	2784.	3.829	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of de posit : one month 10.25-10.35 per cent; three months 10.20-10.30 per cent; si months 10.15-10.25 per cent; one year 9.85-9.95 per cent.

June 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian 5	Japanese Yen
TShort term 7 days' notice. Monthhree months, ix months ne year	1412-1612	101a-1035	10	758-778	78-1	538-512	8-814	9-10	10 \$ 10 \$	12-5-6
	1412-1610	101a-1012	1011-1012	758-778	73-1	538-512	854-9	1014-1114	10 \$ 10 \$	534-5
	1414-1451	101a-1013	10:6-1118	8-814	143-134	558-554	10-1014	1112-1212	10 \$ 10 \$	434-5-5-5
	1352-14	101a-1013	1031-11	838-858	116-114	6-618	1056-1078	12-13	10 \$ 10 \$	513-6
	1318-1312	101a-1013	1012-1051	818-918	258-234	612-658	1054-11	125 ₂ -133 ₄	10 \$ 10 \$	613-639
	1253-13	9, 1013	1048-10-8	878-913	278-3	678-7	1034-11	13-14	10 \$ 10 \$	616-616

Long term Eurodollar deposits: two years 9½.9½ per cent; three years 9½.9½ per cent; four years 9½.9½, per cent; five years 9½.9½ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgian interest rates rise

Interest rates continued to cent against 91.91 per cent. The cent with one- and three-month rise yesterday in Belgium, as the authorities strove to relieve some of the pressure on the per cent while 12-month deposits tively. Six-month money unchanged at 82-81 per cent and 81-82 per cent respectively. the authorities strove to renewsome of the pressure on the franc within the EMS. Following Wednesday's Bank Rate rise, the Bank yesterday

HAMBURG—Call money was per cent showed very little Wednesday's Bank Rate rise, the Central Bank yesterday increased the rates on short-term treasury certificates by 4 per cent. One-month paper now stands at 9.25 per cent, two month at 9.5 per cent and three-month bills at 9.75 per cent and three-month bills at 9.75 per cent and three-month bills at 9.75 per cent against 6.55-6.60 per cent. The three-month money at 84.85 three-month bills at 9.75 per cent against 6.55-6.60 per cent. The three- and six-per cent from the per cent. The three-month per cent. The three-month money at 84.85 three-month per cent from the per cent. The three-month per cent from the per cent from 91-91 per cent. Treasury certificate short-term rates were last increased on per cent compared with 6.90-7.00

June 5 by 4 per cent.

Deposit rates for the Belgian franc (commercial) were higher vesterday, reflecting Wednesday's increase in the Bank Rate to 9 per cent. One-month deposits rose to 91.91 per cent from 811.517 per cent with three-month deposits at 91.93 per

per cent previously. On the other hand 12-month money rose to 7.40-7.50 per cent from 7.20-7.40 per cent. Wednesday's rates were as in Frankfurt, which was closed yesterday for a public

holiday. Call money was quoted at PARIS — Day-to-day money at 11½ per cent, with overnight rose to 7½ per cent from 7½ per business dealt at 10½ per cent.

month rates were unchanged at 81.81 per cent and 9-91 per cent

espectively.

BONG KONG—Conditions in June 14 yesterday's money markel showed a good flow of funds initially, with supplies remaining adequate for the rest of the

UK MONEY MARKET

Confused trading

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979) The aftermath of Tuesday's Budget left the UK money narket in some turmoil

yesterday, as buge technical factors led to a certain amount of distortion in the rates quoted. The supply of credit in the market was also largely influenced by the exceptionally large amounts swallowed up after the exhaustion of the Treasury 11; per cent 2001-2004 tap stock. The Bank of England gave assistance on an exceptionally large scale, the first time on this level since the revision of the authorities' descriptions on the scale of assistance at the end of

LONDON MONEY RATES

of which a moderate amount were hought indirectly, and a moderate amount of these are for resule at a fixed future date. The authorities also bought a small amount of local authority bills, some of which for resale at one fixed future time. This was in addition to large purchases of eligible bank bills all of which are on a purchase and resale basis at a fixed future

Apart from the settlement of gilt sales, the market was also faced with the unwinding of a sale and repurchase agreement of a small amount of bills (mainly Treasury bills) and banks brought forward balances

The belp comprised extremely a small way below target. On large purchases of Treasury bills, the other hand there was a small decrease in the note circulation a small net amount of Treasury bills maturing outside hands, and Government disburse ments exceeded restransfers to the Exchequer

In the interbank market overnight loans opened at 16-16 per cent, and touched 17-18 per cent before falling back to 14-15 per cent, where a lot of business was seen. Early in the afternoon, rates collapsed to 11 per cent where they held for a while before tailing away to 3 per cent, with closing balances taken anywhere between 5 per cent and 6 per cent

6 per cent.
Rates in the table below are nominal in some cases.

June 14 1979	Sterling Certificate of deposit	interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Сотрапу		Treasury	Eligible . Sank ! Bills &	Fine Trade Bills ¢
Overnight		3-18	_	·		11	212.14			
2 days norics.		I -	1359-14%	1	_	1 -	-	· –	- :	_
7 dave 01		.	-	- 1		!		. –	- !	_
7 Java notice	~	14 14 4	13% 14%		14 Je	1478	1312-14	_	- 1	_
one monin	1 1-1- 10-6	14-14/4	14-1462	1514-1478	14 %		, 137a	13Ն։13ֆ	13: 14	14
To months	14 15;	155g 157g	_	145, 145,	1414	¦	153	13. 15.	13-, 13:	14
months.	10-1-13-9	1359-133		141.14	1412	I -		132 133	131-185a	14
75	1318-13	15.1313	124, 1342	1314 127a l	1312	l	i – – -		121:	1314
[Us		12 j 12 %		1511 125e	151	{	: <u> </u>	(- I	· · /	'
· ·	12 : 12	1212-125	1312.13	16.123	15	! —	! _	: _	_ !	_
		•	1213-12%	[] [i —	I -	! - '	- 1	_
1 .										

and finance houses seven days" notice others seven days" fixed. "Long-term local authority more years 12's-12's per cent; four years 12's-12's per cent; five years 12's per cent; OBank bitt rates for prime paper. Buying rate for four-month bank bitls 13's per cent; four-months tradi), salling rate for one-month Treasury bills 131₃-133₃₂ per cent; two-months 131-131₃ per cent; three months performants selling rate for one-month bank bills 131₃-133₃₂ per cent; two month 133₄ per cent; and three-month trade bills 131₄ per cent; two-month 131₄ per cent; and three-month 131₄ per cent, uses Base Rates (published by the Finance Houses Association) 12 per cent from June 1, 1379, spoots Rates for small sums at seven days' notice 111₄-12 per cent. Clearing Bank Rates for lending freasury Bills: Average tender rates of discount 11,4209 per cent.

GOLD

trading

Gold rose \$2 to close at \$2781-279! in very quiet trading. It opened at \$279-279; and was fixed at \$278.80 in the morning. and \$279.00 in the afternoon. The krugerrand's premium over its gold price was lower for domestic delivery than in the

t:	Cold	Builta	n fine	OUDCOL	
5	Close			\$27614.	
].	CIDSO		2 79 12 9- 153.C.		
-	Opening			\$27612	
e	Obelling "	F139	2 / 50, B- 152,9)	(£)82.1-1	
ıt	Morning			3276.10	
ιt	fixing	6132	447.	£131.7	97
•	Afternoon			\$276.60	
	fixing			£131.2	
	_		-		
			domes		
	Krugerrand.				
		£136	·138;	E134	13(
	New	5721:	7412	87134.7	34
	Sovereigns	£3.11	35141	£34-35	ł
	Old			09-883	
	Sovereigns	£415	45%	.£412; 4	25
	Gold (Coins.	nterna	tionally	
	Krugerrand.			\$284.28	15
1	DI GRALIMITA	£137		£134	
j	New	.71		57112.7	
ī.	Sovereigns	£341	.351	£34-35	
	Old	591-9	3	×90-92	•
Y	Sovereigns			24234.4	3
1	520 Eagles.	\$3B1	386	1369 37	
_	\$10 Esgles.			#228-28	
e	5 Eagles	\$158.	163	F158-16	
-		_			-
	intermation	101			Tr's

international international market. The domestic premium widened to 3.09 per cent from 2.93 per cent, and the international to 3.27 per cent from 2.93 per cent,

In Paris the 121-kilo bar was fixed at FFr 41,500 per kilo (\$292.33 per ounce) compared with FFr 41,680 (\$293.36) in the morning and FFr 41,300 (\$290.19) on Wednesday afternoon.

MONEY RATES

NEW YORK	
Prime Bate Fed Funds Treasury Bills (13-week) Treasury Bills (25-week)	11.5-11. 10.3125 8.96 8.99
GERMANY	
Discount Rate Overnight Rate One month Three months Six months	4 - 5.525 5.90 6,525 6.90
FRANCE	
Oiscount Rate Overnight Rate One month Three months Six months	9.5 7.875 8.1875 8.5625 8.9375
JAPAN	
Call (Unconditional)	4.25 5.1878

ITT Antilles N.V.

(Incorporated in the Netherlands Antilles)

U.S. \$75,000,000 9½% Guaranteed Bonds due 1989

Guaranteed as to principal, premium (if any) and interest by

International Standard **Electric Corporation**

(Incorporated in the State of Delaware, U.S.A.)

Swiss Bank Corporation (Luxembourg) Limited

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

Banque de Paris et des Pays-Bas

Deutsche Bank Aktiengesellschaft

European Banking Company Limited

Kuhn Loeb Lehman Brothers International

Lazard Frères & Co.

Amsterdam-Rotterdam Bank N.V. Banque Nationale de Paris Caisse des Dépôts et Consignations Commerzbank Aktiengesellschaft Crédit Lyonnais Credit Suisse First Boston Limited Dresdner Bank Aktiengesellschaft

Kredjetbank S.A. Luxembourgeoise

Orion Bank Limited Skandinaviska Enskilda Banken Société Générale de Banque S.A. Société Générale S. G. Warburg & Co.: Ltd. Westdeutsche Landesbank Girozentrale Wood Gundy Limited

Nationale-Nederlanden

International Insurance Group

Good results and continued growth in 1978

The Group's 1978 Results and Dividend

- -Net profit increased by 21 % to DFIs 248.3 million
- -Net profit per share rose to DFIs 18.09 (1977: DFIs 16.35*)
- -Dividend per share increased 16% to DFIs 5.50 (1977: DFIs 4.75*) *Adjusted for the Rights Issue in 1978

Notwithstanding the increased value of the Dutch guilder revenue rose 9%. International business accounted for 36% of total revenue. Improved results from non-life business contributed to healthy profit growth, Funds available for investment were at record level.

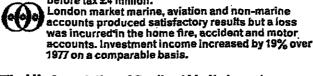
Share issue and good investment performance boosted net assets by 26 %.

REVENUE	1978	1978	1977
	(in £'000,000)	(in DF/s' (700,000}
Premium income: life	526	2,101	1,984
non-life	454	1,812	1,720
professional reinsurance	134	535	430
Income from investments and other activities	352	1,406	1,243
	. 1,466	5,854	5,377
Gross Profit	173	692	586
Profit participation life policyholders	85	339	292
Profit participation life policyholders	26	105	89
Net Profit	62	248	205
Exceptional expenditure	1	5	A
Exceptional revenue		· :-	5
Available for appropriation	61	243	206
Dividend	19	75	60
Retained	42	168	146
Total assets	5,623	22,449	19,783
Insurance funds	4,121	16,451	14,957
Net assets	550	2,194	1,735
(rate of exchange at 31 December 1978 £1=DFIs 3.992)		,	1100

In the United Kingdom:

The Orion Insurance Company Limited

The 1978 accounts show: Premium income £25 million: Investment income £5 million: Profit before tax £4 million. London market marine, aviation and non-marine



The Life Association of Scotland Limited reports:

Premium revenue in 1978 increased by over 37% and Investment income by about 25%. At 31st December 1978 long-term funds exceeded £100 million for the first time. Total surplus of just over £5 million is double that of 3 years ago.

Merchant Investors Assurance Company Limited

Continuing its rapid rate of growth in the U.K. unit linked life and pensions sector, Merchant Investors premium income in 1978 at £20.6 million showed an increase of 64% over the previous year. New sales of regular premiums increased by 85% and new single premiums by 68%-

Nationale-Nederlanden operates on an international scale with branches or associated companies in the Netherlands, the United Kingdom, the Republic of Ireland, Belgium, Norway, Spain. Canada, the United States of America, Surinam, the Netherlands Antilles, South Africa, Australia, Singapore, Malaysia, Indonesia, the Philippines, and through general agencies in Denmark, Saudi Arabia, the United Arab Emirates, Oman and in other countries.

For more information on our 1978 results write for our Annual Report in English to The Secretary, The Orion Insurance For more information on our 1976 results write for our Aminda Report in English to The Secretary, The Orion Insurance Company Ltd., 70-72 King William Street, London EC4N 7BT. The Secretary, The Life Association of Scotland Limited, 10 George Street, Edinburgh EH2 2YH. The Secretary, Merchant Investors Assurance Company Limited, Leon House, 12th Floor, 233 High Street, Croydon CR9 1LP or International Division, Nationale-Nederlanden, 15, Prinses Beatrixlaan, 2595 AK The Hague, the Netherlands.

Wall St. reacts 3.2 in active early dealings

INVESTMENT DOLLAR
PREMIUM

\$2.60 to £1 — 38,% (41%)
Effective \$2.0958 — 11,% (14,%)
WEDNESDAY'S later reactionary
trend on Wall Street continued
in active carly dealines in active early dealings yesterday, but the stock market yesterday, but the stock market was above the morning's worst at mid-session.

The Dow Jones Industrial Average, after receding to 836.88 at 11 am, was a net 3.21 down at 838.96 at 1 pm. The NYSE All

Closing prices and market reports were not available for this edition.

Common Index recorded a loss of 29 cents at \$57.66, after touching \$57.56, while declines outscored rising issues at midsession by a nine-to-four margin. Trading volume came to 25.24m compared with the previous day's 1 pm figure at 27.40m.

NEW YORK

Alcoa 56 56 Alcoa 56 Alega Luduum 1912 1913 1913 1913 Alliagheny Power 173 1713 Alliad Chemical 5334 3312 Alliad Stores 24 241 Alliad Stores 3419 545 AMAX 5612 57 Amerada Hess. 4112 413:

Caterpillar Tract 55 55-4 CBS 4612 4614 Celanese Corpn. 4536 45 Central & S.W. 1613 1618

Certainteed...... 16is

roup from the 50 per cent requested by President Carter.
Among the actives, Exxon cased ! to 850. Amerada Hess !
and Allantic Richfield ! to 862!.
Eastern Airlines shed ! to 881.

Civil Accompatible Board

A Civil Accompatible Board

Fig. 42 | Said it has turned down an offer its Canadian Homestead stake.

Amex volume leader Dyna-lectron, which has a process for producing oil from coal advanced its to \$12.

Stock

Control Data ... 3314 3816 Cooper Indus ... 5214 5214 Corning Glass ... 58 5734 CP_In t mation | 5216 52 5216 Crane Go... 3014 30 Crocker Nati ... 2813 2916 Crown Zellorb in 3614 37 Cummins Engine 3736 37 5 Curtiss Wright ... 1414

F.M.C 25¹3 25¹4 35²5 Ford Motor 45¹3 43²5 Foremost Mck. 22²5 22²5 Foxboro 37¹2 57¹4 Franklin Mint. 86²8 84 Freeport Mineral 47¹4 47¹2 Fruehauf 31¹4 31¹2 Fruehauf 11¹4 11¹2

Grt. North Iron... Greyhound....... Guif & Western... Guif Oil...

BASE LENDING RATES

la Tamise S.A. 121%
Barclays Bank 14 %
Bremar Holdings Ltd. 13 %
Brit. Bank of Mid. East 14 %
Brit. Bank of Mid. East 14 %
Canada Perm't Trust 12 %
Canada Perm't Trust 12 %
Cedar Holdings 12 %
Charterbouse Japhet 12 %
Charterbouse Japhet 12 %
Choulartons 12 %
C.E. Coales 14 %
Consolidated Credits 12 %
Co-operative Bank 14 %
Coriothian Secs 14 %
Coriothian Secs 14 %
Credit Lyonnais 14 %
The Cyprus Popular Bk 12 %
Duncan Lawrie 12 %
Eagli Trust 14 %
English Transcont 12 %

5

National Westminster 14 % Nurwich General Trust 14 % P. S. Refson & Co. ... 14 %

P. S. Refson & Co. ... 14 Rossminster 14

P. S. Refson & Co. 14 %
Russminster 14 %
Ryl. Bk. Canada (Ldn.) 12 %
Schlesinger Limited 14 %
E. S. Schwah 13 %
Security Trust Co. Ltd. 13 %
Shenley Trust — 14 %
Siandard Chartered 14 %
Trade Dev. Bank 12 %
Trustee Savings Bank 14 %
Twentieth Century Bk. 15 %
Twentieth Century Bk. 15 %
Whiteaway Laidlaw 14 %
Williams & Glyn's 14 %
Williams & Glyn's 14 %
Members of the Accepting Houses
Committee.
7-day deposits on sump of £10,000
and under \$1.5 %
7-day deposits on sump of £10,000
and under \$1.5 %
17-day deposits on \$10.000 for \$1.5 %
Cell deposits over £1,000 for \$1.5 %
Demand deposits \$11.2 %

| GAF. | 1112 | 1118 | 438 | 438 | 431 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 4318 | 431

Amex volume leader Dyna-lectron, which has a process for producing oil from coal advanced 1; to \$12.

May Dept. Stores. 27 L 27 s
MCA 43 43 43 43 MCA 43 43 43 43 43 MCA 43 MCA 43 43 43 43 MCA 44
Stock

27.40m.

Analysts said investors were discouraged by negative news concerning two market leaders, IBM and General Molors.

There was also concern about the outlook for the economy and the possibility of further OPEC price increases being agreed at the approaching oil ministers' conference.

Investors were also concern about the approaching oil ministers' conference.

Investors were also concern also disappointed that Tuesday's raily on a Prime Rate cut by Morgan

Eastern Airlines shed { to 88!} to 88!

A clivil Aeronautics Board the oring judge has recommended against an Eastern take-over of National put on 10 836, but Pan-American World Airways, another National atthough reduced turnover.

The Toronto Composite Index of the Coils and Gas index, while the Oils and Gas index, as investors remained generally reserved ahead of this month's Tokyo economic summit and the OPEC markets mainly lower yesterday, as investors remained generally reserved ahead of this month's Tokyo economic summit and the OPEC markets mainly lower yesterday, as investors remained generally reserved ahead of this month's Tokyo economic summit and the OPEC markets mainly lower yesterday.

Canada

Connada

Connada

In Noticines National put of the Pan-American although reduced turnover.

The Toronto Composite Index of the Oils and Gas index, while the Oils and Gas index, as investors remained generally reserved ahead of this month's Tokyo economic summit and the OPEC markets mainly lower yesterday, as investors remained generally reserved ahead of this month's Tokyo economic summit and the OPEC markets mainly lower yesterday.

The Toronto Composite Index of the Oils and Gas index, while the Oils and Gas index, as investors remained generally reserved ahead of this month's Tokyo economic summit and the OPEC markets mainly lower yesterday.

The Nikei-Dow Jones Average although reduced turnover.

The Toronto Composite Index of the Oils and Gas index, as investors remained generally relationship in a large although reduced turnover.

| Shell Transport... | 301g | 311g | 31g | 325g | 3

Tesor etr'ieumi 1736 1578 Texaco 2658 2634 Texasguif 2278 233

Texas last m.....
Texas Oil & Gas...
Texas Utilities....
Times Inc.......

Trans Union 35%
Transway Intl. 25%
Travelers 20%
Travelers 38%
Tri-Continentai. 18
Triton Oil & Gas. 7
TRW 36%
20th CenturyFox 41%
Tyler 15%
U.A.L 24%
UARCO 20%

Union Carbide.... 3719

Ut Industries 271; UV Industries 211; Virginia Elect 131; Wagreen 351; Wallace Murray 251; Warner Comma. 341;

EUROPEAN OPTIONS EXCHANGE

Nc v.

TOTAL VOLUME IN CONTRACTS

Tokyo

Stocks on the First Market section displayed an easier bias in another thin trade yesterday.

Abritibi Paper...... 1818 : 19
Agnico Engle..... 714 | 714
Alcan Aluminium 4319 | 4314
Algoma Steel..... 30 30
Abbestos........ 4512 | 46
Bank Montreal... 2278 | 2234

BP Canada 2854 2853
Brasoan 24 2554
Caigary Powar 4554 4512
Cam flo Mines 1418 1376
Canada Cement 13 1213
Can. NW Land 1312 1314
Can. Perm. Mort 2019 2118
Can.Imp. Bk. Com 2576 2553
Can. Pacific Inv. 31 212
Can. Pacific Inv. 31 212
Can. Pacific Inv. 31 2514
Can. Super Oil 157
Carsiar Asbestos 1178 112

Comineo 374 3773 Cons. Bathurst 1278 1273 Consumer Gas. 2469 2458 Coseks Resource 91s 912 Costain 1512 1568

Genstar. 23
GiantYall'wknife 1114
GulfOilof Canada Hawker Sid. Can. 14
Hollinger. 39
Home Oil A 20
Hudson Bay Mng. 20
Hudson Oil & Gas 114
LAC 1679
Imasco(Com.Stid) 4358
Imperial Oil 3458

Sceptre Res urce Seagram
Shell Canada ...
Shell Canada ...
Sheritt G. Mines Simpson
Steel of Canada ...
Steel of Canada ...
Toronto Dom Sk.
Trans CanPipeLn
Trans CanPipeLn
Trans Mount Pipe
Trizec ...
Union Gas ...
UntdSiscoe Mnes
Walker Hiram ...
West Coast Trans,
Weston (Geo.)

Fr.4685

F.143.20

Bank Montreal.... 221/2 Bank NovaScotia: 221/4 Bell Telephone.... 223/8 Bow Valley Ind.... 30

CANADA

Guaranty Trust faded so quickly. Only a few banks followed Morgan Guaranty's imped 4½ to \$45\cdot \$51\cdot \$10\cdot \$10\ Репаттоуа.

lowered to 60 per cent with effect from today.

Export-orientated Light Electricals, Motors and Cameras generally strengthened against the general trend, with TDK Electronic rising Y40 to Y1,760, Matsushita Electrical Y16 to Y701, Rouda Motors Y15 to Y561, Toyata Mater V14 to Y910 and Toyota Meter Y14 to Y910 and Canon Y5 to Y540.

The Second market section was predominantly firmer again in active trading on speculative buying, with the stock index advancing 9.92 to 778.64. Volume 43m shares (48m).

Bourse prices closed on an irregular note with declines hold-ing a slight majority after slow trading, halting the recent rising

market trend.

Brokers said news that
France's current account payments surplus shrank in the first quarter of 1979 to FFr 1.86bn from a revised FFr 6.20bn in the previous quarter had not really affected investor sentiment. Profit-taking on the gains of the previous two sessions and the negative impact of a 1 of a percentage point increase in the Call Money Rate were more responsible for the market's hesitancy, they added.

Banks, Stores and Chemicals were mainly easier, but Portfolios, Rubbers and Electricals were firmer-inclined. Michelin "B" receded FFr S to FFr 952 despite announcing increased net consolidated 1978

profits. Others to lose ground included

Moet Hennessey, Poclain, Legrand, Cetelem, General Occidentale, Saunier Duval, trend, Gold shares met renewed Perrier, Paris-France, Thomson-support and moved ahead in Ericsson, Creusot-Loire, Institut line with firmer Bullion prices.

NOTES: Overseas prices shown below exclude \$ premium. Belgign dividends are after withholding tax.

stated.

© SWFr 500 denom. and Begrer shares unless otherwise stated. 1 Y50 denom. unless otherwise stated. 2 Price at time of suspension. a Florins. b Schillings.

GERMANY +

Hong Kong

Johannesburg

June 14

VEBAVereins&WistBk BRUSSELS/LUXEMBOURG

AMSTERDAM June 14 Fis. - 7 %

Finansbankeh
Bryggerier
For Papir
For Papir
Handeisbank
G Nthn H (Kr90)
Nord Kabel
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Ollefabrik
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Gaz.
Noticeable higher at the end Locindus, Comptoirs Modernes, Kleber, Tales de Lusenac, Thomson-Brandt, Vallourec, BP and

Germany.

Markets were closed yesterday in observance of the Corpus Christi holiday.

Australia

Stocks again closed on a mixed note yesterday, but with recent bright spots, CSR and BHP, reacting on some selling pressure. Underlying sentiment was unsettled by a new round of interest rate increases for local and semi-Government

loans.

Market leader BHP fell 16 cents to A\$9.02, while CSR, up 2.1 cents over the past two days, retreated to A\$4.00 before finishing 7 cents down on the day at A\$4.06.

However, ICI Australia found favour and advanced 8 cents to A\$2.30 while News moved ahead

favour and advanced 8 cents to
A\$2.30, while News moved ahead
10 cents to A\$2.92.
On the Mining boards,
Hamersley declined 5 cents to
A\$2.50, as did Consolidated
Goldfields to A\$3.45, but Coalscontinued to strengthen, with
Coal and Allied shooting up 26
cents to a 1979 peak of A\$6.30.
Uraniums were mainly firmer.

Uraniums were mainly firmer,
Traders gave a nod of approval
to the Australian reorganisation
of the UK company, Selection Trust, and marked its locally-listed concern, Selcast, up 11 cents to 81 cents.

After further declining on general selling as the dollar premium moved lower, the market rallied on late local buying, leaving the Hang Seng index only 0.21 easier on the day at 540.79.

After the recent reactionary trend, Gold shares met renewed

e Cents, d Dividend after pending o Cents. d Dividend after pending rights and/or scrip issue. e Per share. I Francs. g Gross div. %. h Assumed dividend efter scrip and/or rights Issue. k After local taxes. m % tex first. n Francs including Unilac div. p Nom. q Share split. z Div. and yield exclude special payment. z indicated div. u Unofficial trading. v Minority holders only. y Marger pending. *Asked.† Bid. § Traded. † Selier. z Assumed. x Ex rights. xd Ex dividend. xc Ex scrip Issue. xe Ex sli. A Interim since increased.

AUSTRALIA TOKYO ¶ ACMIL (25 cents)
Acrow Australia
AMATIL 21
Ampel Exploration
Ampel Petroleum
Assoc. Minerals -1 +15 -9 -10 +1 +1

+20 A2 18

14 | Frice

Jacques Borel ... Lafarge L'Oreal,.....

32.5 + 0.5 - - - 777.6 + 4.5 - - 2.632 + 4.5 186 5.7 12.195 - 24 185 8.4 159.25 - 3 17.120 - 230 600 3.5 **Indices**

NEW YORK -DOW JONES

	1 1 1 1 1		1	<u> </u>	1979		Since Compilt'r			
ł	June 13	June 12	June 11	eruL 8	June 7	June 6	High	Low	High	Low
industrie ifme Einds	842,17	845.29			(678.72 (10/4) 85-90 (2/2)	807.00 (27/2) 82.52 (8/9)	1051.70 112.1/73)	(2.7152)
Transport				238.46 108.82			241.87 +12/81 105.76 +13/6)	205.78 (27/2) 58.51 (15/6)	275,86 (7 <i>/2/6</i> 9) 188,32 (20/4 <i>/6</i> 9)	12,23 (8/1/32) 10,59 (28/4/42
Trading vol 000's† • Day's high	j -	i	'	51,540 10	48.580	40,100	– .	-	-	<u> </u>

ind. div. yield 2					·
		6.07	6.07 6.16		5,43
STANDARD	AND POORS			_	
2.	l. l. l.	. 1.		1979	SinceC'mpil't'n
•	June June J	lune June	June June	High Lo	W High Low
ilndust'is (Composite	113,81 114,38 102,81 192,85		115,28 112.72 101.79 101.50	19/1) (2 103.54 98	7,08: 154,64
		{ June 6	May 30 '	May 23	Year ago (approx
ind. div. ylel	d% _	5.28	5.38	5.38	4,85
Ind. P/E Rat		7.92	8.58	8,45	9.51
Lon Gov. Bond Yield		8.95	8.98	9,05	8.43
				Rises an	d falls

Ind. P/E Ratio	7.92	8.38	8,45	9.51
Lon Gov. Bond Yield	8.95	8.98	9,05	8.43
57.9558.1857.6257.42 5	1979 figh Low 8,18 55,68 (0/4) (27/5)	Rises Falis	raded: 1,934 792 722 984 480	1,941 1,844 11,219 734 389 719 333 431 95 42

MONTREAL		. 1	I. I.		1979		
	June 13	June 1	June 11	S	High	Low	
Industrial Combined			267.48 285.16		288.49 (12/5) 288.41 (12/6)	218-19 (2/1) 225.80 (2/1)	
TORONTO Composite	1572.9	1574.6	T584_9	1679.2	1574.8 (12/6)	1515.B (2/1)	
JOHANNESBURG Gold Industrial	284.5- 509.5	291.7; 612.5	294.7 516.1		295.4 (29/5) 330.9 (23/5)	228.4 (17/4) 2/0.5 (2/1)	

Gol Ind		- 1	284.5 809.8			95.4 (29) 330.0 (23		228.4 (1 278.5 (2	
· j		Pre-				June 14	Prev	1979 High	1979 Low
ustraila (¶)	677.98	678.41	697.68 (19/3)	545.72 (2/1)	Spain (d	(c)	86.40	111.86	93.03 (10/1
eigium (I) _,	106.18	108.62	108.09	98.30	Sweden (e) 350.73	351.49	401.34	347.7: (7:6:
enmark (**	94.69	84.80		(8/1)	Switzerid(/	505.5	309.6-		
rance (ff)	3.08	80.5	81.6	71.5 (15/2)	Dec. 1953		waterd	am Ind	iustria
ermany (#1)		789.1	(16/1)	(7/6)	III Banca	Hang S	ciale I	taliana	1972
olland (35)		72.8	(24/1)	(in)	Times 198	i e C	4/1/6 osed.	d Mad	nd S
ong Kong	,	!	(542)	; (2;1)	# Swiss Ba	stockho nk Cor	bolstjol Dur iva	rama).	navai
aly (II)		77.67	(4/6)	68.38 (2/1)					
•	1	439.88	(31/1)	· (10/4)	ALED US	SDAY'S	ACTI		
naznore (†)	384.71	594.79	404.13	348.34	,			'	Chang

April	land (39) 72.1 72.8 85.9 71.3 (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1) (24/1)	e Tokyo New SE 4/1/68. b Straits Times 1956. c Closed. d Madnd SE 29/12/78. e Stockholm Industrial 1/1/58. I Swiss Bank Corporation. u Unavail- able.
	an (a) 459.58 459.88 462.97 655.22 (31.1) (10/4) gapore (b) 584.71 594.75 (40.13 546.34 eas 100 except NYSE All Common—Standards and Poors—10; and onto 300—1,000; the last named ed on 1975). † Excluding bonds. 10 Industrials. § 400 Industrials, 40 Finance and 20 Transport, ydney All Ordinary. [Belgian SE 12/63]. *** Copenhagen SE 1/1/73.	Stacks Closing on traded Perce Perce Closing on traded Perce Per

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ponds. ils, 40 isport. in SE /1/73. rzbank	Caesars World Chmp. Spk. Pig Cherter Co. Wts ITEL Hamischfeger LTV	. 539,200 . 415,900 . 362,000	39 ³ 4 12 ³ 4 22 ⁷ 6	+ 7 + 8 + 3 + 3
	STOCKHOLM	· -		
+ or -	June 14	Price	or Div. Kr.	Yid 3
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-0.03 -0.01 +0.01	Bofors Cardo Cellulosa Elec'iux'B'(Kr50 Ericsson B (Kr50	125㎡	6.25 5.5	4. 3. 4. 4.
L+0.103	Essette (Free)!	107 +2	i 4-i	3.9

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	JOHANNESBURG		
	. MINES		
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	Anglo American Con.	8.20	+0.05
	Charter Consolidated .	±4 00	
1.01	East Driefontein	15.80	+0.40
	Elsburg	2 15	+0.12
.10	Harmony	8.10	+0.10
.02	Kinross	6.85	+0.00
.02	Klool	14.50	+0.39
.05	Rustenburg Platinum .	2.82	+0.02
.01	St. Helens	†17.50	-0.02
	South Vaal	12.20	+0.20
.02	Gold Fields SA	70.25	+1.00
.01	Union Corporation	18.20	.T1.00
.03	De Beers Deferred	8.40	+0.10
	Blyvooruitzicht	7.35	+0.10
	East Rand Pty.	9.70	
ãi	Free State Goduld	27.50	+0.50
	President Brand		+0.25
10.	President State	20.00	+1.25
	President Steyn Sulfontein	T10.50	+0.75
.02	Welkom		+0.10
.02	West Drielontein	6.60	+0.21
-06	Western Holdings	31.25	+1.50
	Westom Deep	38.25	+0.75
	**************************************	†17.75	+0.35

ï	President Steyn	†16.50	+0.7
	Sulfontein	7.70	+0.1
2	Welkom	6.60	+0.7
12	West Drielontein	53.25	+1.50
	Western Holdings	38.25	+0.7
	Western Deep	†17.75	,+0.39
_	· · · · · · · · · · · · · · · · · · ·		
Ī.	INDUSTRIA	41.5	
	AECI	4.30	-0.09
Ξ	Abercom	2.28	
5	i Anglo-Amer, Industrial	14.50	-0.29
4	Barlow Rand	5.78	·-0.00
1	CNA Investments	‡2.60	
9	Currie Finance	N.85 xd	-0.03
ĕ	Edgars Consd. Inv	3.40	
68529894	Edgars Stores	‡44.0 <u>0</u>	
₽.	Fed. Volksbeleagings .	1.95	-0.05
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0 6 9 6	Protea Holdings	1.59	
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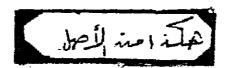
(Discount of 25%)

	PeugeofCitroen 324.5 - 0.5 1/25 4.1 Pociain.	Renco Central 301 '+ 2 Banco Exterior 262 R. Graneda (1,000) 134 Banco Hispano 259 Rep. 1. Cat. (1,000) 143 Banco Madrid 271
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i	June 18 Cruz - Div. %	Banco Zaragozano 27
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İ	Belgo MT eira OP 1.77 +0.020.105.65	Gel. Preciedos
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٠	Unip PE 4.55 + 0.05 0.25 5.49	Patroleos
ŀ	ValeRioDoce PP 1.65	Sogefiee
i	Turnover Cr. 112,5m. Volume 75.0m.	·Telefonice
	Source: Rio de Janeiro SE.	Union Elec.
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English Transcont 12 % Members of the Acceptin First Nat. Fig. Corp. 14 % Committee. Today deposits 10%% deposits 11½% 7. day deposits 11½% 7. day deposits on sums and under 9½%, up to 10% and over £25,000 10% 4. Cell deposits over £1,000 Englishments Mahon 12 % 5 Demand deposits 11½%.

الله المن الاجل

608



FINANCIAL TIMES SURVEY

Friday June 15 1979

Austrian Exports

Austria achieved a remarkable success in reducing the trade and current account deficit last year. In this survey, Paul Lendvai, our Vienna correspondent, assesses the importance of exports to the country's economy and looks at the dangers threatening external trade and the balance of payments.

Will the upswing endure?

Institute for Economic Research enced by such exceptional that the most positive feature factors as the 45 per cent fall of Austria's economic perforing the imports of passenger cars, mance last year was the reduc- due to the introduction of much tion of the visible trade deficit higher VAT on so-called luxury from an all-time record level of goods and the 8.4 per cent sch 77bn (£2.63bn) in 1977 to reduction of the Schilling-desch 55.8bn (£1.90bn) and an nominated import bill for petroeven more significant cut of the learn products. current account deficit from Sch 49bn to Sch 22bn.

and omissions," the improve the temporary glut on the world ment was even more dramatic: oil markets. a reduction of the deficit from ADMIKE Sch 29bn to Sch 6bn.

However, the main issue at the centre of attention now is whether this improvement will be durable or whether last and in the world economy year's figures reflect temporary factors. It appears that the factors. It appears that the package of monetary and fiscal the current account deficit will squeeze measures, introduced in rise again this year. The fore-the autumn of 1977, as well as cast of the Institute for Ecothe autumn of 1977, as well as the general economic situation nomic Research, prepared at the abroad and at home, provided end of March, predicted a rise the background to the better of the visible trade defect to the background to the betterthan-expected performance of the external payments. So, after annual growth of

almost 5 per cent between 1959-69, 6 per cent between 1969-73 and over 3 per cent in 1973-77. cent rise last year. In fact, real domestic demand even dropped by 3 per cent. Except for the year of recession in 1975 and the one of the currency stabilisation in 1952, last year produced the lowest growth rate since the 1939-45 World War.

This slackening of demand was, of course, reflected in the trade statistics. While exports in real terms jumped by 8.9 per tators would agree with the statement in the annual report per cent. These favourable of the respected Austrian developments were also influ-

The latter was the consequ-Sch 49bn to Sch 22bn.

If allowance is made for the continued appreciation of the Austrian Schilling controversial item of "errors vis-a-vis the U.S. dollar and of

Predictions

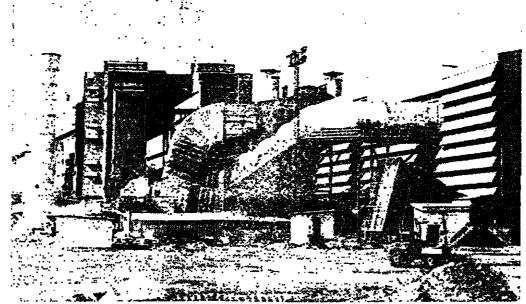
Developments during the first Sch 60bn and a shortfall on

It remains to be seen whether these estimates are not perhaps slightly too optimistic. Austria's policy mix of achieving both a per cent in 1976 and 5.5 per cent in 1977 to 3.6 per cent in 1978 and to a similar rate this year - at the same maintaining almost full employment (unemployment rate rose only from 1.7 per cent to 2.1 per cent in 1977-78), has often been praised by foreign observers. But the policy has also cost a high price

in the form of steadily rising public and external deficits. It is evident already that the economy will grow this year by three, possibly even 3.5 per cent. In January-February this year industrial output was running at levels 5 per cent over those recorded in the same period last year, although the research institute's forecast is a growth of 4 per cent for 1979.

One of the key factors affecting the exports performance is the competitiveness of Austrian products. This is the reason for the heated controversies . concerning development of unit costs. The research institute concluded that last year unit costs in industry rose by only 3 per cent: well below the growth rate of main foreign trading partners and in striking contrast to a 6.1 per cent rise in 1977 and to a jump of 16 per cent in 1975.

This favourable tendency is likely to persist this year with relative cost advantage of 3 to 4 per cent compared to the average performance of manufacturing unit costs in the main competing countries. However, it would be mis-



This iron-ore pelleting plant, claimed to be the world's biggest, was set up in Puerto Ordaz, Venezuela, by the Austrian concern Vocst-Alpine as general contractor. The plant has been in operation since the end of last year

most recent years into consideration. Officials of the Federal Chamber of Economy and spokesmen of the industry like to point out that in international comparisons unit labour costs must be measured in U.S. dollars rather than in schillings to produce a realistic picture. between this basis.

1970-78 Austria was ahead of all countries except Switzerland. The difference in the basis is extremely important if one recalls that between 1970-79, for

leading if one took only the example, Austria's annual of the schilling exchange growth in unit labour costs ex- rate vis-a-vis 22 major trading pressed in local currency is partners appreciated by just reckonded to have reached 6.9 per cent as against 8.4 per cent ber 1972 and the end of 1978, for the OFCD as a whole. Yet So the success of Austrian measured in a common currency exporters in maintaining and the figure for Austria becomes 14.9 per cent as against only

18 per cent for the OECD.

Another bone of contention has been the exchange rate policy of the socialist govern-ment which has de facto linked the Schilling to the D-mark

over one-third between Decemeven gaining foreign market shares despite an appreciating currency, must be seen against the background of a steady decline in relative export unit

values and of rising relative unit costs. No wonder that spokesmen of trade-weighted average the business community com-

plain of a profit squeeze and a on the economic climate in falling cash flow in the export- Europe (absorbing \$4 per cent

The controversies about the policy in general reached a crescendo before the general financed by the Ministry of exports.

tion parties and business spokes- in market shares in the Euromen were sharply critical of the pean Community are regarded Socialist Government's economic as a proof that Austrian eshis Ministers energetically defended their record, pointing to ket conditions. However, to the sustained growth, low recapture the same position inflation and high employment figures during 1970-78. With before the establishment of the the Socialists scoring their Common Market in 1959 exports fourth consecutive electoral should be increased by yet victory and their third with an another 33 per cent above last absolute majority on May 6, the year's level. debate about the future course of economic policy has become more businesslike.

It is difficult to quarrel with the Chamber of Economy's below the comparable figures assessment that the single most for other small industrialised important export promotion task countries such as Belgium, the of the state is to strengthen the Netherlands, Sweden, Norway Austrian companies' competi-tive ability vis-a-vis their In a recent study on the foreign rivals. This cannot be balance of payments situation be done

is naturally heavily dependent involved in export efforts and

of the aggregate exports), with the Common Market accounting squeeze on profit margins in far 52.2 per cent. A key role particular and the economic is played, perhaps more than policy in general reached a ever, by West Germany which supplies 43.3 per cent of the elections, fuelled partly by the imports and is a market for 29.1 per cent of Austria's

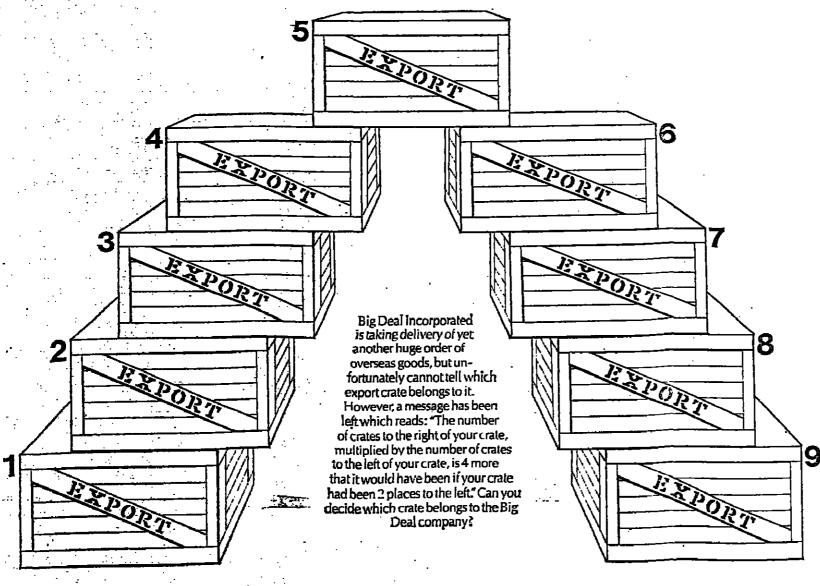
Three out of four tourists Not surprisingly, the opposi- are also Germans. So the gains porters are capable of adapting themselves to the changed marenjoyed in those countries

Yet for all the success story of Austrian exports, it must be remembered that the per head exports of goods are still well

done by way of higher duties with particular stress on the or the so-called non-tariff structural problems of industry barriers but simply by a sensible and trade, the economist Prof. taxation, wage, budgetary and Gunther Tichy pointed out monetary policy. The point, of the inherent disadvantages course, is that the views differ of small states such as the lack as to just what could and should of "spin off" of military and prestige-oriented research, the A small land-locked country small size of the domestic of about 7.5m people. Austria market, the high risks and costs

CONTINUED ON NEXT PAGE

The neatest solutions in import-export finance often come from Creditanstalt.



In the risk-prone field of import-export finance, there's no ready substitute for experience:

Without it, putting together the package you really need may simply take too long.

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At Creditanstalt, we have the skills and expertise to

put together the right package, in the right time. As Austria's leading bank, we've been centrally involved in the international trade that has played a key

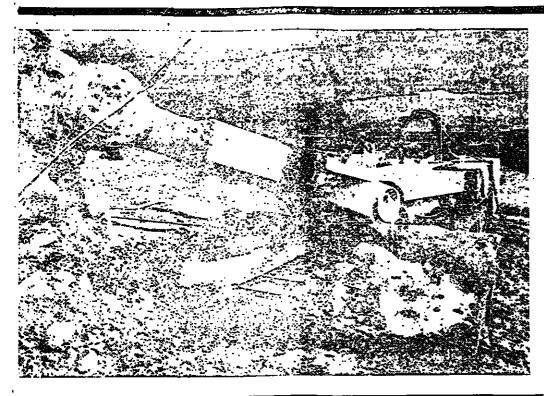
role in the country's progress. Our Group provides about one third of Austria's export credit finance, and arranges international payments to about the same amount.

We supply 90 of the country's top companies with help and advice. Creditanstalt has a great deal to offer you in Austria, Europe (including Eastern) and, because we are an EBIC bank, around the world.

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The prototype of the newest and biggest gallery traction engine from the Zeltweg plant of Voest-Alpine con-cern, the AM 100, has started working in a coalmine in the Ruhr region of Germany.

RIGHT 3

A morie camera that can be used under water without fitting a waterproof casing is now being manufactured by Eumig and joins Austria's growing list of high-technology exports. On the Eumig Nautica all shots are automatically sharp from a distance of one metre and the automatic exposure control sets the diaphragm for the



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IF AN Austrian businessman

Austria's trade representatives abroad are not diplomats but highly trained trade specialists. They work for the unique system of export organisation run and financed by the Federal Chamber of Economy. Their reputation and credibility is such that neither a small exporter of embroidery to Nigeria, nor a large nationalised concern engaged in talks about erecting complete plants in Latin America, can afford to ignore the treasure house of experience and accumulated knowledge these multilingual specialists (mostly in the 35-50 age bracket) represent.

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official. world, represent the trade in on duty.

But in contrast to the terests of this small landmethods of most other coun-locked and politically neutral country. Only under special conditions such as those in Eastern Europe or in certain developing countries do these trade representatives have diplomatic status, but even

> national concerns nor many foreign countries. companies which could establish trade representatives abroad or the Chamber. the area desk officials in Vienna.

them to give advice about how to secure export credit guaran-What is particularly important is the long period these specialists spend in their areas. While diplomats usually stay two or three years in a country, Austrian trade representatives usually spend up to eight to 10 years in one place. thus providing Austrian exporters with an intimate knowledge of the business structure and easy access to the

Under the able leadership of coming from distant Austria. stores 23,000 product negative or Without red tape and diplosupplied by 5,000 Austrian exporters and 2,300 importers goes abroad to set up a new Dr. Friedrich Gleissner, one of Without red tape and diploventure or conclude a deal, he Austria's top economics and matic protocol, the trade deleventure or conclude a deal, he invariably consults the local Austria's top economics and matic protocol, the trade deletinate trade representative at home at an international control the economy and as highly decision. If a Government delegation arrives, the Minister's negotiations on economic matters are inconceivable without the presence of the trade experts — who is equally gates act as representatives of the economy and as highly decision. If a Government delegation arrives, the Minister's Austrian businessmen from a rely on the assistance of the small provincial town — about Alinistry of Trade when trade and the provincial town — about Alinistry of Trade when trade and the provincial town — about Alinistry of Trade when trade and the provincial town — about Alinistry of Trade when trade and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alinistry of Trade when trade official and the provincial town — about Alin

Range

This year, for example, four Chile-Ecuador-Colombia, the Far East, including South Korea, and Saudi Arabia and Yemen there they operate under the will be organised. To such mis-direct supervision of the sions must be added 16 round Federal Chamber of Economy.

Austria has neither multi-

From fashion shows to trade important subsidiaries abroad. seminars and language courses, It is the network of the S3 the Chamber of Economy offers offices (32 in Europe, 17 in a wide range of services. Be-North and South America, 14 tween 1946 and 1978, for exin Africa, 19 in Asia and one in ample, some 68,000 Austrian Australia) which serves some companies have participated at 4,000 Austrian exporters, who 1,120 fairs and 400 exhibitions can contact directly both the and other ventures organised by

This year alone the foreign They fulfil a variety of indispensable functions for small and medium-sized firms, from closured firms, from the closure of the chamber provides for 100 exhibitions, participations in fairs, and medium-sized firms, from the closure of the chamber are directed at the chamber are dir alerting them to sales opportunities to finding agents for ventures, with one-third taking due to the way is which ventures, with one-third taking ducts but also the way in which place overseas. They range "Made in Austria" goods are from technical exhibitions in Atlanta. Georgia, U.S., to a furniture show in Moscow, from a winter sports festival in Holland to a store promotion campaign in Hong Kong.

Every week almost 7,000 Austrian companies receive a weekly foreign trade news builetin from the Chamber. If they express interest, they also receive free of charge requiar market reports and studies as decision-makers. The more well as a comprehensive report, backward or more dictatorial revised annually, giving essenthe country is, the more tial information about 150 indispensable the trade dele-countries. A new computerised gates become for a businessman information and data system

from Austria.

This year, the Chamber has further expanded its activities aimed at helping small and medium-sized companies in the increasingly sharp competition in foreign markets. Thus the Chamber now provides up to 50 per cent of the costs for a mar-ket research study provided certain conditions are met. The Chamber itself, or more precisely its specialists including trade delegates transferred home after a tour of duty abroad, will increase the number of market reports provided to companies.

If at least five companies combine forces and dispatch a salesman abroad, the Chamber can pay up to 50 per cent of the travel expenses. The foreign language publication serving export promotions can receive per company and per annum a subsidy equal to £2,000. Other measures involve help for covering the costs of interpreters and copying machines as well as the dispatch of technicians and engineers to fairs, provided these do not take place in neighbouring countries.

offered for sale in Europe and hammer out a mutually acceptelsewhere-and last but not able compromise. least at making new companies interested in exports. Docu-mentary films, language and try and business have survived management courses, training of export specialists and close contacts with universities also belong to the large-scale and permanent programmes mounted by the Chamber and its affiliated bodies such as the Institute for the Promotion of Economy. The organisation of delegates.

stores 23,000 product headings study tours for journalists and exporters, Chamber officials and specialists also contributes to the awareness of the crucial importance of exports for

Austria. In a sense the Chamber, which in its present form was founded more than three decades ago, has been a tremendous success despite or perhaps even because of the changes in succeeding governments. Though representing the interests of the business community and thus auto-matically belonging to the so-called "black"—that is, con-servative camp—its president. Herr Rudolf Salinger, and other high officials have traditionally served not only as a link between the Government and the exporters but have also maintained excellent personal relations with the Ministry and the trade unions. The fact that since 1970 Austria has been run by a Socialist Government which has just been returned for another four years has not affected the co-operation between the Government and the Chamber.

Herr Salinger and the Secre-tary General, Dr. Arthur Mussil, have often indulged in sharp polemics (as People's Party they have managed to sit down with their political opponents at the negotiating table and

permanent all the political changes and storms of the past decades. The system is one key to Austria's economic miracle since World War II and, of course, also the basis for the success story of the unique system of Austrian export promotion and trade

Upswing

CONTINUED FROM PREVIOUS PAGE

the existence of few really large exports. They include: product-companies.

But in the case of Austria there are other partly inherited, partly self-made disadvantages. in addition to a lopsided industrial structure, caused by the break-up of the Austro-Hungarian monarchy and the thrust of industrialisation under German occupation during the war (steel sheet, aluminium. pulp, fertilisers), the 1960s contributed to a deterioration rather than to an improvement of this basically antiquated and uncompetitive structure.

Polemics

Going beyond the usual politically-motivated polemics be-tween the various lobbies, Prof. Tichy stated that Austria has one of the highest investment ratios in the world (27 to 28 per cent of the gross GNP between 1973-77 as against about 22 per cent in Germany). But, he said, the share of industry had reached only a medium level and the return on capital in 1973 was 20 to 25 per cent lower and output per head (in 1974) 18 per cent below the comparative figures for West Germany. While social partnership-the tested co-operation between the two sides of industry, farmers and the government—provides the basis for labour peace and

ated promotion; compensation for losses caused by the Schilling's appreciation in a way which accords with the GATT rules; a permissible tax debt for five years ranging to up to 50 per cent of the costs involved in tapping new markets (but ex-cluding Germany, Northern Italy and Switzerland); joint export ventures of smaller companies: accelerated division of labour with the Comecon states; and measures to alleviate the tax burden of the tourist industry counled with the modernisation or facilities for group tourism. Some of these ideas have been incorporated into a new strategy paper just presented by Dr Arthur Mussil, Secretary General

of the Federal Chamber of Economy. In addition to the provision of risk capital, the paper put the emphasis on taxation and other measures needed to speed up technology transfer to promote specialisation; to of income from inventions and patents: to increase funds for research and development in industry: to apply in practice the results of research and development; and to intensify contacts between on the one hand and the universities, research institutes and laboratories on the other. sustained growth, it also acts as a barrier to the overdue bodies founded by Girozentrale redeployment of labour and and the Zentral-sparkasse to procapacities. Austria is still one more exports by small and of the world's laggards in spend-medium-sized companies, are all ing on research and develop- part, and parcel of a new ment, which account for only economic strategy needed if 0.6 per cent of the GNP.

Austria wants to retain its proud
In the final part of his place in the front ranks of the
thoughtful and outspoken study. European growth and stability Austria wants to retain its proud Prof. Tichy suggests a whole league, an a par with Germany catalogue of measures to help and Switzerland.

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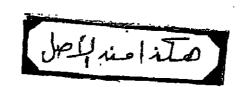
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Clouds over East European trade

For centuries Austria was the heart of the Habsburg empire dominating the economy of the countries in the Danubian Basin. Even after the break-up of the Austro - Hungarian monarchy, half a century ago, the three direct neighbours—Czechosłovakia, Hungary and Yugoslavia—accounted for well over half of the country's aggregate foreign trade.

After the difficult years of Stalinism, isolation and Cold War separating Factors A. War separating Eastern Europe from its natural trading part-ners, the relaxation of tensions, East-West Detente and the economic upswing in Austria itself have revived interest on both sides in re-forging old commercial links. Of course, the closer co-operation lends a special importance to Vienna as a contact point for East-West

Situated only about 50 miles from the Czechoslovak and Hungarian borders, the Austrian capital is a convenient launch-ing pad for Western companies doing trade with the East. Thus it is no wonder that between 350 and 400 important western firms concentrate primarily or partly on trade with Eastern

It is reckoned for example that one in four compen-satory payments arrangements between East and West (ex-cluding trade with the Soviet Union) are handled by Austrian intermediaries or have origi-nated in Vienna. Over 50 foreign banks have branches or subsidiaries here. The Austrian banks play a key role in financing exports to the East. It is estimated that by the end of last year the indebtedness of Comecon states, including comreached some Sch 45bn.

After a temporary setback due officials of the Chamber of to the switch from bilateral Economy. The point is that the

NO OTHER West European country is as closely involved in trade with the Communist East as Austria. The massive involvement is due to a combination of factors such as geography and history, intimate knowledge of the area and the mentality of the people and elites living there.

For centuries Austria was the heart of the Habsburg empiredominating the economy of the countries in the Danubian Basin. Even after the break-up of the Austro - Hungarian of the Aust figure is deceptive. If one adds the Yugoslav stake of 4.5 per cent, the total East European stake in 1975 reached 21.6 per cent of the Austrian exports total.

But the second half of the decade has produced a deepen-ing disappointment. Instead of the hoped for expansion, trade with the East is on what appears to be a downward slope. The share of the Comecon countries fell to 15.2 per cent in 1976, to 14.5 per cent in 1977 and to a new low of 13.7 per cent last year. Though the share of Yugoslavia has remained on the whole the same at 3.5 per cent, even the combined—that is Comecon-Yugoslav - trade is now in proportional terms about as large as the Comecon stake alone four years ago.

The figures during the first quarter of 1979 reflected a fur-their deterioration. While Austrian exports on the average were up by 13 per cent on the same period a year ago, sales to Eastern Europe were actually down by 2 per cent. As imports from Comecon also fell by 8 per cent, the departmental chief at the Ministry of Trade in charge of foreign trade publicly called for quick remedial action. As a first step, he suggested the reintroduction of the autonomous tariff cuts which one and a half years ago were revoked as a prop to the balance of payments.

The suggestion was, however, credits, to Austria quickly rejected by most commentators and also criticised by

Another alarming example is the tights sector. The number of Austrian producers was halved between 1972 and 1978 and domestic output dropped from 84m to 67m pairs. During the same period, imports jumped from 9.8m to 50m pairs.

Another even more important consideration is the simple fact that the east European countries therefore buy less from Austria and from the West in general because they are in the midst of a structural economic crisis, sharpened by the fuel price squeeze. Dr. Friedrich Gleissner, the chief of the foreign trade and commercial policy department at the Federal Chamber of Economy has time and again publicly come out against any kind of protectionist practices. But trade policy must be based on the strict application of the principles of reciprocity. As the entire economy and the foreign trade organisation of Communist countries is completely different from that of Austria it is extremely difficult to realise the principle of

Gesture

In any case, the Austrians trading partners after Yugo-are firmly against the idea of slavia and they are followed by any kind of free trading zone slavia and they are followed by with the east as a dangerous political risk which in the case of Finland for example did not yield any tangible advantages for the Finns. In view of the strict rules and tariff-free intrabloc trade within Comecon it is receiving more complete in-almost ridiculous to talk about formation and statistics from the discrimination applied against local authorities, Austrians are Eastern exporters trying to sell sceptical concerning short- and

about reduction of certain tariffs, which of course have to be extended to all GATT member states, is seen as a good-will gesture made by the Austrian side.

East European demands for preferential treatment of goods produced under various coproduction agreements are also regarded by Austrian experts as unacceptable. First, the term "co-operation" for "joint venture" is extremely vague and second. Austrian producers not engaged in such deals cannot be "punished" by being placed at a competitive disadvantage visa-vis others who work together with Factory firms. gether with Eastern firms.

In any case. Austria already in January 1975, introduced full liberalisation, eliminating all about 150 tariff headings, auto-matic import licence is granted by the trade or agricultural ministry. This protective mea-sure is defended by the Austrians as a kind of "early warning system" applied in trade with Eastern European. Far Eastern and developing countries, which are not members of GATT.

In sum, the Austrian side blames the lack of demand, not high tariffs for the fall in East European exports to Austria. Trade experts at the Viennabased institute of Economic Comparisons expressed the view that even the granting of new tariff concessions could not give a real fillip to exports to the

In the next few years little mutual advantages in practice. scope is seen for an increase of sales in Comecon countries. Poland, the Soviet Union and Hungary are the major Eastern East Germany. With little progress achieved since the European security conference in getting easier access to the endusers, enjoying better working conditions for businessmen and in Austria. Nevertheless a medium-term growth prospects recent agreement with Hungary for trade with Eastern Europe.

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Nuclear power decision consequences

about the commissioning of heating oil by 17.5 per cent on
Austria's first nuclear power the corresponding period the that the situation since then has plant at Zwentendorf in Lower year before. The prospects are Austria has changed the entire for greater dependence on imenergy picture-with far-reach ports, especially from Eastern consequences on the Europe.

position. By a narrow majority the recommendations of the the voters rejected nuclear International Energy Agency power and Parliament subseoperation.

revoked or changed by another referendum. This means in practical terms that for the foreseeable future Austria is bound to remain without nuclear power.

Last year the overall rise in specific fuels, imported coal imports of cars and components accounts for 79 per cent, for also involved a jump of 9.4 per cent accounts for 79 per cent, crude oil energy demand by 5.7 per cent accounts for 79 per cent, crude oil proved deficit. The upward revision of petrol and diesel oil prices virtually 100 per cent.

Last year the overall rise in specific fuels, imported coal imports of cars and components accounts for 79 per cent, crude oil of cent in consumption of petrol and diesel oil prices virtually 100 per cent.

The 400 MW nuclear power plant was erected at a cost of some £280m equivalent by the Verbund Gescilschaft, the State electricity concern, and provincial utility companies. It is now planned to take the final deci-sion in September about building a power plant based on hard coal rather than on oil and gas as originally planned. The plant will go on stream in two to three years and negotiations are already in progress with Polish and West German concerns concerning the delivery of 700,000 tonnes of coal per annum. A conversion of the Zwentendorf nuclear plant into a conventional power station would take six to seven years and cost some

The immediate effects of the "No" to nuclear power will soon be felt. It is now taken for granted that from January 1980 on electricity rates will be raised by more than the average 4 per cent of the last 10 years. After all, the companies concerned will have to absorb the enormous losses caused by the scrapping of the Zwentendorf plant.

Worse

e situation is, if anything, Congrious energy savings Coop the contrary energy Corin last year Credit last year was up Credit last year was up The Cyclet on 1977, During Duncarter the growth rate Eagil cent, and in April Englis as high as 5.8 per

First the demand for Antonyroducts slacken. In Greyhore months of 1979 Grindl: of premium grade

quently adopted a law under sumption. As a matter of fact which the plant cannot go into consumption on the whole was operation.

consumption on the whole was up by 9 per cent in the first It was also announced by all quarter. Last year Austria con-

stagnation of domestic output, the increased demand had to be met through larger imports. Austria about £900m.

appreciation of the Austrian

upheavals abroad.

Energy imports last year cost the year 2,000 on the assump-Austria about £900m, tion of an annual average
The price of imported crude, economic growth rate of 2.8 however. was 8.4 per cent per cent. Though the demand below 1977. This was due to the vakia had suddenly to cut its schilling against the dollar and the past the dependence on im- fuel crisis.

THE NUCLEAR referendum petrol was up by 5.4 per cent. to the temporary glut on the ports of oil, gas and coal will held on Nowember 5 last year diesel oil by 12.1 per cent and world oil markets. world oil markets. rise by 7 per cent to 64 per cent But economic experts caution by the year 2,000.

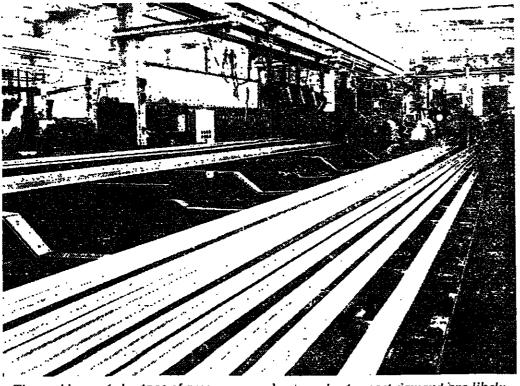
changed dramatically and that and to what extent the ambitious the petrol bill will once again plans concerning joint power contribute to a deterioration of plants based on lignite on the Austria's trade and payments Hungarian-Austrian border and country's future supplies and At any rate, there can be no halance. About 20 per cent of the construction of a coal pipe-also on its balance of payments question of Austria following the imported oil last year came line and the import of electric from Iran. In general, the power from Poland will be country's dependence on im-realised. Last winter Czechos!n-ported solid and liquid fuels is vakia had suddently to cut its steadily increasing and thus exports of power to Austria also its vulnerability to political and it is feared here that an upheavals abroad. economic or political turmoil

parties before the recent general elections that a decision taken at a referendum should only be some state of the recent general sumed 11.3m tonnes of crude accounted last year for 44.8 per could have been accounted by the formation of 44.8 per could have been accounted by the formation of 44.8 per could have been accounted by t

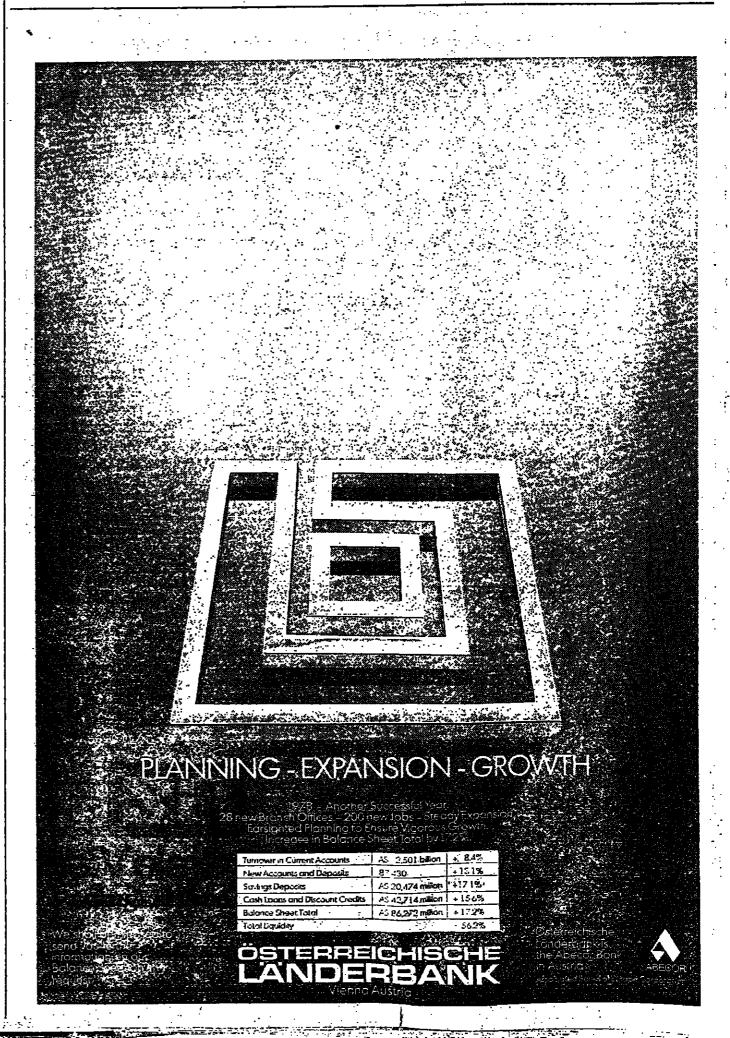
60 per cent between now and vakia had suddenly to cut its a somewhat slower pace than in

It remains to be seen whether The East European States in one of the Eastern suppliers could have a drastic impact on In the short term the rise in

It is estimated that Austria's a fall in consumption. energy consumption will rise by Government is now considering more drastic savings measures. But whatever the concrete plans. involving also the programme of the domestic energy saving more vulnerable than ever to the shock waves of the world



The problems of shortage of power as supply struggles to meet demand are likely to be widespread, particularly in industry. Above: production at the Ranshofen aluminium works



General Motors project a success for Kreisky

listed as factors by Mr. It all started with the Alexander Cunningham, vice-abortive plan of launching the president of the General Motors so-called "Austro-Porsche," a president of the General Motors Corporation, when he formally announced that his company had decided to build a large engine plant at Aspern near Vienna. These were the Vienna. These were the reasons, he said, why General Motors was attracted to Austria.

In fact, details of the project were already front page name a declined to put its world-wide were already front page name as

were already front page news a few days earlier when Mr. E. M. Estes, General Motors President, paid a lightning trip to the Carinthian resort, Poertschach, where the ruling Socialist Party was holding its post-election caucus meeting. It great rare for the planned \$1bn was there that the chief execu-tive of the world's largest car nounced by Ford. Here again manufacturer told Chancellor Chancellor Kreisky himself manufacturer told Chancellor Chancellor Kreisky himself Kreisky and representatives of negotiated with senior Ford the unions and the business executives and corresponded

Though some Austrian newscompany's expansion plans in personal meeting with an the spring.

Europe, there is no doubt that in the spring.

In the end Ford scrapped its the spring of the spring of the spring. the £150m project, providing 1,500 jobs, is a major personal and political success for Chan-

的近 1-79 GZ-AE

car to be made in Austria under Porsche licence. Most of the projected output would have been sold abroad.

service and sales network at the disposal of the Austrian ven-ture, while Porsche was less than keen to allow the use of the Porsche brand name. Then followed the all-out drive

to beat France and Spain in the community of the company's with Mr. Henry Ford, thus decision.

prodding President Giscard prodding President Giscard d'Estaing of France into action papers expressed disappoint too. The French President ment that Austria had failed to threw his own personal weight capture a larger slice of the behind the bid to bring the The French President plant to France and had a personal meeting with Mr. Ford

meantime Austria had offered investment grants totalling in one form or another almost

labour peace and the availa- large international car com- a site free of charge. Such billty of skilled labour were panies to Austria. financial assistance and site development projects have all along played an important role in the successful campaign of WIBAG, the industrial siting corporation, to attract new industries to the capital and the surrounding area.

Incentives

The project—particularly in view of the large-scale financial incentives offered by the Government and the municipality—was not without its critics. Some commentators suggested that the Socialists were trying to make political capital out of the idea on the eve of the May general elections. However, it has been known all along that General Motors also has been

showing interest in Austria. Eventually, the elections were won by the Socialists, so polities can not be really suspected as the main motive behind the bid to attract foreign investment. In fact the shopping for joint ventures is motivated by the need to dampen the strains on the balance of payments.

This is the reason why the

vide one-third of the investment outlays. The federal state will put up two-thirds of the £50m facturers, ranging from the years about 8 per cent of its town of Steyr in Upper investment grant with the muni- Japanese Mitsubishi of Japan labour force and its capital Austria. The Steyr group also

STABILITY, campaign to attract some of the £150m, in addition to providing cipality of Vienna providing the to Ford and General Motors, the rest of the grant.

contradictory trends better than the fact that while some papers criticise the spending of £30,000 on creating each new job, provincial newspapers complain bitterly that Vienna- 200,000 this year. Though the Aspern and not the sites offered number of cars passed the 2m in Styria or Carinthia have mark for a population of just been chosen. Such projects as over 7.5m, there is still scope for a brake-lining plant or a press expansion in sales. plant have been cancelled or it is still possible that General moved to Spain, with Spain's Motors will decide within a cheaper labour force upping couple of years or so to set up

the balance.

Even so, the engine plant in equivalent of \$100m to the strengthening of the country's balance of payments. Further, General Motors is said to have promised to spend the entire investment grant within the country. It is reckoned that about half of the total value of the engines will be provided by Austria. Further, General Motors already covers almost half of its sales in Austria nurchases from through

Austrian sub-contractors. It is this factor that has also played an important role behind the Austrian drive for joint ventures. Through contracts with so many different manu-

est of the grant.

Austrians have induced the
Nothing could illustrate the major car exporters to the

After all, Austria is an important market with new car registrations expected to exceed

an assembly plant in the Aspern area. The location provides a Vienna will manufacture 300,000 fully developed infrastructure engines a year, contributing the and is close to a canal leading to the Danube, which could be particularly helpful when the Rhine-Main-Danube canal completed. The proximity Eastern Europe and the excellent record in labour relations (there has been no major industrial strike for the past 15 years) are powerful arguments in Austria's favour.

Another important considerasion of jobs. It is estimated project

While Austria has been busy attracting foreign car companies the Austrian concern Steyr-Daimler-Puch has produced a new cross-country car, the Puch G. in co-operation with Mercedes-Benz of Germany. Extremely manoeutrable, it can be supplied in 40 different versions

overall investments, has been

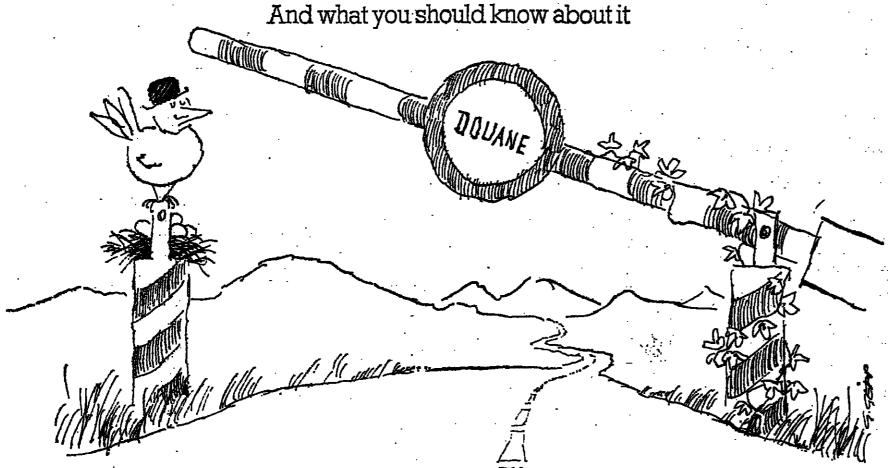
Specialisation and improvement of the production structure are needed and it is hoped seneral that other major joint ventures in the motor industry will also be helpful in this respect. Only tion from the Austrian point of ten days after the announce-view is, of course, the proviment about the General Motors Steyr-Daimler-Puch, that in the next few years about Austria's leading motor con-30,000, and up to the mid-1980s cern, and the German BMW 20,000 additional new jobs, will motor company will give the have to be created. Yet industry has lost during the past few a diesel engine plant near the

steps forward, the Renault ven-ture at Gleisdorf in Styria is seen as a costly exercise in spending £1.5m to subsidise jobs in a foundry for 40 people. But here too local considerations play a significant part.

spending both in absolute and collaborates with the German formance in terms of per head relative terms, compared with car maker Mercedes-Benz to exports of chemicals, machinery produce a cross-country vehicle and transport equipment as at a new plant at Graz in well as manufactured goods. While in 1960 the Austrian While these projects are figure amounted to only 60 per generally regarded as important cent of the OECD-average (excent of the OECD-average (excluding the U.S. and Japan). the proportion rose to 95 per cent by 1976.

There is no doubt that the transfer of modern manufacturing and management methods According to one recent to a country so deeply steeped study, Austria has caught up in parochial traditions, can with the average OECD per- only speed the process.

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Exports shift

nents of close links between Common Market. Full membership in the European Community would have been incom-

Under the terms of the free trade agreement, tariffs on manufactured goods in trade between Austria and the Common Market were between October, 1972, and July, 1977,

Up to 1977, as noted by the last OECD report on the Austrian economy, "the mutual tariff reductions seem to have had a negative net effect on the initial level of tariffs in Austria was higher and domes-tic producers presumably were slower in taking advantage of the removal of trade barriers than foreign competitors."

The rise in unit labour costs and the domestic boom, en-gendered by rising incomes and the spending sprees of the socialist government, may of course have been much more important than the "slowness" in adaptation as mentioned by the OECD report. But regard-less of the details of such assessments, the fact remains that the positive integration effects coupled with the im-provement of the supply structure, tipped the balance in favour of gaining, or rather regaining, market shares in the highly competitive Western

In this respect 1978 clearly a turning point a exports to the Common Market were up by ruary this year with growth ties of rates of 17 and 18 per cent Austria respectively. Particularly impressive was the almost 20 per rejects cent jump in sales in West Germany which alone accounted for 29 per cent of the Austrian

Decline

During the 1970s the share of the EEC in Austrian exports has been on the decline, hitting a low point of 44.2 per cent in 1975. Last year the Common Market absorbed 52.6 per cent of the aggregate Austrian exports, about the same proportion as recorded in the mid-1960s, but still two percentage points below the level reached

More than half of the increased deliveries went to Germany, but sales to France, the Netherlands and Britain were on the complaints about the "hard" Schilling, one must, of course, also note the fact that, after all, the "hard-currency bloc" of Germany, Switzerland

and the Benelux countries account for two-thirds of Austrian imports and almost two-fifths of Austrian exports.

However, there is another side to the picture. In the first quarter of this year the visible trade deficit was again up by Sch 900m to Sch 14.7bn and the European Community accounted for 99 per cent of the adverse balance. The accelerated im-ports of cars, amounting to 25 per cent of the deficit in the first quarter, clearly were an important factor in the deterior-

European integration has been weight to the problems concernthe subject of heated debates ing the structure of Austrian between advocates and oppo- exports. On the one hand, the country has achieved some stun-Austria and the ning successes. Thus it is Market. Full member- claimed that Austria caught up with Germany in the per head figures for the exports in a but permanent neutrality.

broader sense (ie, including broader sense (ie, including services) by 1975. During 1968-1978 the share of machinery and transport equipment rose

from 21.6 per cent to 29 per cent of the Austrian exports

total. However, the Institute for Economic Research pointed out in its annual report on the foreign trade performance that the share of technically advanced manufactured goods has remained still relatively low. So in 1977, for example, the proportion of half-finished good: and basic materials was still twice as high as the comparative figures for West Germany and Switzerland. At the same time the share of industrial machinery was, at 14 per cent. about seven points below the figures for those two countries.

Kevision

A special problem is the farm sector, which has been excluded from the agreement with the EEC. The Austrian government seeks a revision of the 1972 arrangements regulating what is called in the free trade agreement "the harmonious development of agricultural trade exchanges."

Though the deficit in the balance of trade with farm products last year was reduced from Sch 14bn to Sch 12.1bn. the spokesmen of the farmers' lobby complain about the barriers to the exports of Common Market were up of also accuse the government of 15.6 per cent and the trend allowing for too large quanticattle, cheese and wine and

The socialist rejects such complaints and points both to the high subsidies for the farmers and the foreign trade obligations as arguments that there can be no question of discriminating against the farmers. It remains to be seen whether a definitive agreement with the EEC could be reached in the next few

Evidently, Austria's trade with the OPEC countries remains a weak point. During the last three years Austria has lost market shares in the OPEC countries and last year the exports to that area suffered a 7.4 per cent setback compared to 1977. The adverse trend continued during the first quarter of this year with the trade deficit visa-vis the OPEC states rising to Sch 1 4bn rising to Sch 1.4bn.

Nevertheless, it is still thought likely that the Research Institute's forecast of an 8.6 per cent rise in exports in real terms will be achieved. The deeper reasons for the struc-tural weakness and the lop-sided geographical distribution of exports cannot be eliminated quickly. But the experience of the last year has shown 19 Austrian exporters are of exploiting sales ties and offer a wide products adapted to

ing market condition if the unit labor be: kept vithin rency policy is n exports should sh improvement this

Brazil frost scare boosts coffee again

RENEWED FROST fears in "bull" reaction on coffee Brazil coupled with the publi- futures markets and this was cation of a higher than further encouraged by reports expected official damage that there was a possibility of expected official damage that there was a possibility of estimate following last month's frost in Brazil's southern coffee frost sent coffee prices soaring producing areas during the next again on the London futures 24 to 48 hours. market yesterday.

since October 1977 to end the day £151 higher at £2,084.5 a to the upward pressure, dealers

from the 1980/821 crop which saying the cold front was still had previously been forecast several hundred miles to the at 26m bags. Sr. Octavio Rainho, the IBC president, also said that the frost had cut crop said that the frost had cut crop expectations from 21 cm have expectations from 21.3m bags

The 1980/81 damage estimate is lower than the 8.5m bags forecast by some local traders immediately after the frost but it is considerably higher than more considered trade estimates which put the damage at 5-6m bags. The crop damage figure is also higher " guesses " around 1m bags.

naturally prompted a strong the next 24 to 48 hours.

t yesterday.

September position through the £2,000 a positions has been halted belevel for the first time cause of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents a pound of the four cents are the four cent limit on daily movements, added

After the London market had closed on Wednesday the Brazilian Coffee Institute (IBC) announced that a survey of affected areas indicated that 7 to 8m bags (60 kilos each) southernmost coffee State of the company of t of coffee beaus had been lost Parana but others denied this,

> said the minimum overnight temperature in Londrina, north Parana, was 14 deg. C.

Department sources said the cold air mass moving up from Argentina may threaten coffee States later but there was a chance that it might move out into the Atlantic rather than advance north into Parana.

But the Department nevertheless issued a frost warning covering the States of Parana IBC announcement and South Mato Grosso covering

Senate move may clear way for stock releases

THE MAJOR obstacle holding channelled. Under the House tributed, therefore, will depend on the level of the "floor" price on the level of the "floor" price at the time the contribution is up the proposed U.S. stockpile release of tin appears to have been removed. The U.S. Senate night a Bill laying down future stockpile policy.

This is a significant step in clearing the way for indivdual commodity disposal Bills, instockpile tin, to be put forward with a much better chance of being approved quickly.

For the past two years the chairman of the Armed Services Committee has blocked indivi-

dual stockpile proposals until the overall policy has been settled However there is still further hurdle to be overcome. The stockpile policy, passed by the Senate, includes a special provision not included in the similar legislation already approved by the House of Rep-

A Senate-House conference committee will have to reconcile the difference before the Bill comes out from Congress for signing by the President. The Senate Bill contains a three-year "sunset provision" for the special transaction fund to be set up into which receipts from stockpile sales would be

marked permanently to be used only for purchasing other items

for stockpiling.
Otherwise the two Bills are In addition to the stockpile much the same, calling on the Administration to hold sufficient materials to carry the U.S. through three-year war emergency and stipulating that the stockpiles are to be used only for defence purposes—not for economic or budgetary reasons. price ranges.

Congressional approval will still be for any sales or purchases Assuming the differences between the Senate and House Bills can be reconciled with the joint committee, it is expected that the Administration Bill to use stockpile tine as its contribu-tion to the International Tin Council buffer stock will quickly be passed.

The proposal is that the U.S. will contribute a quantity of tin equivalent to 5,000 tonnes at the floor price.

But the actual amount will be less than 5,000 tonnes, since the U.S. is insisting that the tig should be valued at the current market price since the U.S. pub-lic would object to a "windfall" profit being given to the Tin Council.

The final quantity to be con-

made and how the market value is assessed.

tin, to be contributed to the Tin Council buffer stock, there is a proposal to offer a further 30,000 tonnes for sale to relieve the present shortfall in world supplies that has forced tin prices well above the Tin Agreement

Apart from stockpiles, like tin and silver, deemed to be in surplus, the revised stockpile objectives call for purchases of other raw materials, below target levels, including copper, lead, zinc and rubber.

U.S. silver output lower

WASHINGTON - U.S. mine production of silver in the first quarter of 1979 totalled 9.4m troy ounces compared with 9.8m in the final quarter of 1978, the U.S. Bureau of Mines reported here yesterday.

Mine output in March totalled 3m ounces, up nine per cent from February.

UK butter 'mountain' increasing

By Our Commodities State BRITAIN'S MOUNTAIN of butter held in store under Market support Common arrangements is rising rapidly, and at the end of May stocks in public and private stores totalled 55,000 tonnes enough

to keep the country supplied for seven weeks. The stockpile, which excludes normal reserves held in traders' own warehouses, has grown sharply since the start

of the year.

More than 8,000 tonnes went into intervention stores in May, taking the public stock to 44,196 tonnes. compared with 44.196 tonnes compared with 28,208 tonnes at the end of December and 10,517 tonnes at the same time last year.

Stocks held in private stores at the end of May with aid from Community storage subsidies were 10,913.

But while butter surpluses grow, the stock of skimmed milk powder has been greatly reduced. Large subsidies are paid to encourage farmers and manufacturers to incorporate this dried residue from butter-making process animal feeds.

Intervention Board The bought almost 43,000 tonnes of this powder last year but by the end of May the reserve had

been slimmed down to 13,000

WORLD FOOD SUPPLIES

Little hope for commodity pacts

BY OUR COMMODITIES STAFF

world markets during the next five to ten years will tend to keep down prices of grains and livestock products and increase competition among exporters, M. Albert Simantov, director of agriculture at the Organisation for Economic Co-operation and Development (OECD), told a meeting in Bruges, Belgium, yesterday.

Existing differences between domestic and international trade prices might increase, he suggested. And as long as production of major commodities remained so severely out of bal-ance: with consumption, the chances of international commodity agreements succeeding in stabilising trade would be

M. Simantov said that by the mid-1980s improvements in the Soviet Union's agricultural per-formance would be felt in world ever, it was expected to conever, it was expected to continue buying grain and soyabeans at present levels:

Purchases of protein products like soya should continue to increase, and buying in general would continue to fluctuate markedly depending on the weather and the gravity of the Soviet Union's difficulties with

tural produce, was likely to depend on imports even more as much as 30m tonnes of in the future. And by 1985 cereals.

AMPLE SUPPLIES of food to imports of feedgrain and meat were expected to increase by more than previously foreseen. China was not forecast to increase its net grain imports much beyond 10m tonnes in the immediate future, but in the long run it would become more interested in livestock products and animal feed from

Out put of grain from the worlds "brea basket" in the U.S. and Canada could rise from 300m tonnes now to 360m tonnes by the mid-1980s, enbling these countries to increase their exports further. But since grain production in North America is forecast to rise marginally faster than demand, stocks could be expected to rise and prices could be affected by

slight downward pressure.
For the Common Market, M. Simantox predicted a possible increase in food sales to Japan, Nigeria, Korea and China and possibly to the USSR if it were able to continue offering produce at bargain prices. Washington President

Carter has been given a "highly classified" report on the Soviet Union's farm industry which analyses the expected sharp fall in grain output there this year. . The chief economist of the inadequate storage space.

Japan, already the world's forecast this week that in the largest net importer of agricul
1979-80 grain campaign the USSR could be forced to import

sugar pact

U.S. SUPPORT for the International Sugar Agreement remains undiminished and it will do all in its power to complete the process of ratification and participate fully, Mr. Mike Calingaert, U.S. delegate said in London yesterday.

Mr. Calingaert told the International Sugar Council "there is no real opposition to the ISA in the U.S."

"The fact that ratification remains entangled with the political dispute surrounding domestic sugar legislation is unfortunate, but it should not be viewed as an attack on the concept of our adherence to the

U.S. ratification alone would not solve all the problems facing the world sugar community, as a major issue remained the lack of progress on accession by the EEC, he said.

U.S. still backs | Fuel crisis sows seeds for black market

resentatives.

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE ENERGY crisis has been mainly because the Scottish empty both of water and fish so I have had time to worry.

My fears have been increased who tell that because of the are staying empty.

But I am much more con- things more difficult still. cerned by the effect that a continuing shortage of oil is likely to have on farms like my own which is completely dependent on the flick of a switch or the firing of an internal combustion

engine. For instance, I have just been installing a new drier depen-dent on oil fuel, which will undoubtedly use more than my previous set-up.

much in my thoughts lately, electrical heating, but this with hoes. Hay was made by would entail laying on a further hand and drawn in by horses, transformer to carry the and the dung from the cattle river where I have been trying transformer to carry the and the dung from the country to catch a salmon has been increasing load. This would yards was spread by hand. undoubtedly double my present costs for the same results.

My fears have been increased It is not simply a question by conversations with the locals of cost. As long as the fuel is available, means would shortage of petrol, their holiday- found to pay for it but further hire caravans which are to them cuts in the supplies like the what oil is to the Aberdonians, 5 per cent already imposed by my suppliers, could make

> Things were easier when I was a boy. When I left school horse power. I started on a large farm in Shropshire growing grain, sugar savings available today. The beet, and fattening cattle. There technique of a minimum cultiwere no tractors and the only energy sources apart from the steam engine which drove the threshing machine, were the and human muscle.

There were no weed-killing sprays or fungicides. Fertilisers were basic. Nitrogen was sulphate of ammonia from the gas industry while basic slag from the steel works produced the phosphate.

The farming revolution which I have lived through over the last 50 years has been entirely due to the application of cheap energy in place of men and There are certain obvious

were done with horse teams. But the weed-killers which can ancillary industries have had a supplies.

some extent based on energy

cultivation with chemicals could have far-reaching effects on the supplying industries. Instead of using tractors of 70 to 100 horse power, much less power would be needed and implements would be few and incur little wear. I don't say that the plough will never be necessary again, but basically I've cometo believe that its future is in than second gear, run out of some doubt.

There is no doubt, also, that the significant increase in energy costs which has been House of Commons this week contained to some extent by the that fuel supplies could not be newer techniques, will eventu- rationed or made subject to privation where ploughing is ally put pressure on margins, orities because it would only dispensed with is one obvious. This could make farmers look cause distortion and a black solution. Ploughing an acre of most seriously at other costs market. Surely the most likely land means turning over several such as rent, labour and general outcome of the present situation hundred tonnes of soil, consum- overheads. There is a feeling will be the blackest of markets Ploughing and all cultivation ing fuel and wearing-out steel. abroad among farmers that the as users compete for scarce

I could possibly change it to Crops were kept clean by men replace the plough are also to good time over the last fe years and should share any belttightening that might become necessary in future.

But this is long-term. Of more important moment is the situ-ation that could rise over the next few months. Suppose the harvest is wetter than last year? Supplies of fuel have already been cut by 5 per cent. What happens when the drier or the combine havester, which is having to go in first rather fuel? It's all very well for Mi

Howell to state, as he did in the

Cut milk price call

THE COMMON Market's dairy munity guarantee and support surpluses can be reduced by buying schemes. cutting prices for lower qualities of milk and suspending intervention support for produce from dairies which do not come up to the EEC's stringent delays in fixing this year's farm standards, Mr. Niels Anker prices—the next meeting starts Kofoed, Danish Agriculture on Monday-were "paralysing" Minister, said in Bruges.

The Minister added that production of commodities like levelled out so that farmers' the prices paid under Com- DKr 9.40.

Mr. Kofoed also took up the British line that surpluses should be sold at reduced prices to EEC consumers.? The Minister warned that

the Community.

Pig price up

milk and sugar, had to be BACON producers in Denmark have increased the price paid incomes derived from prices in to farmers for bacon pigs by the open market and not from 30 ore a kilo deadweight to

MADKETE **BRITISH COMMODITY**

TIN

BASE METALS

COPPER — Moved ahead on the London Metal Exchange. Forward metal opened higher at 1924 reflecting the strength of overnight American markers. However, trade selling pared the orice to 1920 at which level speculative and chartist support litted the market to 1928. In the aftermoon profit-taking and a downtum on Gomes saw the price ease back to close the late kerb at 1922. Turnover 30.775 tonnes. PPER Official : - | English £ 915.5-6 926-.5 916 +10.5 +8.75

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £915, 15.5, three months £925, 26, 27, 28, 27.5, 27, 27.5, 28, 29, 29, 28, 27, 26.5, 26. Cathodos, cash £80, 82, three months £927.5, 26, 25, Wirebara, three months £927.5, 26, 25, 26, Attempon: Wirebars, three

TIN—Barely changed for forward metal although heavy borrowing of cash material, reflecting the tight nearby, supply situation, caused the backwardstion to widen to around \$400

* Will your liability be limited?

without obligation.

PUBLIC NOTICES

NEWPORT BOROUGH COUNCIL

ills issued 13th June due 12th 1979 at 117ma. AppHatons n. No other Bills outstanding.

COUNTY COUNCIL BILLS

RE COUNTY COUNCIL

13.9.79. Issued 74.6.79.

* What commission and fees will you pay?

* How easily can you withdraw your investment? * Will your broker tell you how investment decisions are

Telephone Mr. Leslie Clarke, 01-480 6841, or write:

[14F	417	ne:	3	
8.17. Official	+ _°	p.m. Unofficial	+ or 	to ti kerb
de £ 7435.40 7130.50 7440	£ + 18	£ 7520-40 7165-85	£ + 100 + 15	Z1
7440	+ 10	_		Casb
7425-30 7110-20 7430	 3.5	7520-40 7155-60	, + 100 , + 20	3 me S'me Pron
. 7430 ::\$1985				M
-21300		-	******	75.5.

LEAD—Lost ground owing to profit-aking. After touching a record £648

on the eatell away morning late Ferb tonnes.	to a k kerb but at £630	rallie: .5.	£625 or d to close Turnovor) the th 9,57
LEAD	a.m. Official	+ 0	p.m. Unofficial	;+ <u> </u>
Cash 3 months . Sett 'ment	631-2 688	£ +2 +5 +2	£ 686-8 629-30	-8. -7

backwardation to widen to around 1400 on the late kerb. Forward metal was finally quoted at £7,150. Turnover 2,050 lack of interest which saw forward tonnes.

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Morning: Standard, cash £7,440, 30, 25, three months £7,110. High Grade, cash £7,455. Kesh: Standard, three months £7,110. Afternoon: Standard, cash £7,480, £7,500, three months £7,110, 20, 40, 45, 50, 55, 60. Kerb: Standard, three months £7,150.

on the est fell away morning lists berb tonnes.	rry pre-m to a k kerb but at £630	arket w ol rallie .5.	£625 on d to close Turnovor	metai the the 9,575
LEAD	A.M. Official	+ °°	p.m. Unofficial	+ or
Cash 3 months.	£ 687-8 651-2	£ 1+2 1+5	£ 686-8 629-30	-8.5 -7

Moming: Cash £588, three months £640, 38, 37, 36, 34, 33, Kerb: Three months £631, 27, 26, 25, 26, 27, 26, 25, 24, 25, Atternoon: Cash £588, three months £528, 23, 28, 29, 29, Kerb: Three months £528, 27, 28, 29, 30, 31

the day's tow of £372.5 on the late of the day some £145-£159.5 up from some stoploss buying on continued rumours of further Soviet purchases.

Turnaver 5,400 tonnes.

and Lambert.

Testerday's:

Testerday's:

ZINC	Official		Unofficial	<u> </u>	
Cash 3 mouths S'ment Prom. west	3755 364		£ 359.5-61.5 372.5-3 - - -39,5		
Morning 75.5. Afi 74.5. 74.	ternoon:	nonth: Three	s £378, 76 months	i. 75, ጨ75,	
opening h came und and meic	ngher at er pressu hant selli	E783 re fro ng to	lly easier. forward in m profit-to end the Turnover	metal sking late	•

t+or p.m. t+or

NICKEL—Moved narrowly in fairly subdued and routine trading. Forward metal opened around 13,090 and slipped back to £2,020 at which point buying thought to be on behalf of producers pushed the price back up to £3,056 on the late kerb. Turnover 312 tonnes.

Morning: Three months £2.080, £3,100, £3,090, \$5, 50, 30, 40, Alternoon: Three months £3,030, 20, 25, 20, 50, 60, 50. Kerb: Three months £3,050 40. Cents per pound. ‡ \$M per picul. † On previous unofficial close.

SILVER

Silver was fixed 5,05p an ounce higher for spot delivery in the London buillion market yesterday at 400.85p.
U.S. cent equivalents of the fixing levels were: spot 842.0c, up 12.6c; three-menth 860.0c, up 15.5c; six-month 876.5c. up 15.0c; and 12-month 909.3c, up 15.4c. The metal opened at 400%-401%p (843.845c) and closed at 401%-402%p (843.845c). SILVER Builton + or L.M.E. + or record price

Spat...... 400.85p +8.05 401.85p +5.6 5 months. 412.6p +5.8 418.4p +6.8 2 months. 422.9p +5.4 12 months 422.5p +5.5

COCOA Yesterday's + or Business
COCOA Close Done

Sales: 4,126 (1.652) lots of 10 tonnes.
International Cocoa Organisation
(U.S. cents per pound): Daily price
June 13: 156 42 (156.17). Indicator
prices for June 14: 15-day average
157.96 (same): 22-day average 156.04
(155.63).

COFFEE Robustas opened sharply higher following an overhight forecast of another possible frost in the coffee growing regions of Brazil. Heavy short-covering outshed prices further shead in the afternoon but was met by some good resistance selling from one particular source before surging forward once more to finish around the highs

COFFEE	Cl- se	+07	Done Done
	£ per tonne		
Ay	2086-89 2085-88 2063-64 2055-57	+151 +159 +159 +159 +155	2100-2000 2090-1996 2090-1996 2090-1996 2090-1959 2070-1974 2052-1955 2051-1954
Sales; 17, ICS Indica	989 (7,814) ator prices fo	lats of or June	5 tonnes. 13 (U.S.

cents per pound): Other Mild Arabicas 189.33 (184.17): Robustas ICA 1976 179.00 (same): ICA 1968 179.50 (same); Colombian Mild Arabicas 196.00 (186.00). Unwashed Arabicas 196.00 (184.00). Comp. daily ICA 1968 189.06 (182.88).

GRAINS

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, June 96 50, July and Aug. 96.75, transhipment East Coast. U.S. Hard Winter, 13½ per cent, unquoted. EEC unquoted. Maize: U.S./French June 110.50, July 111.00, transhipment East Coast. South African White unquoted. South African White unquoted. South African Yellow Aug. 82.00 nommal. Barley: English feed tob Oct./ Dec. 93.00, Jan./March 98.50, East Coast.

HGCA--Locational ex-larm spot prices. Feed barley: N. Lincoln 92.30, The UK monetary coefficient for the veek beginning Monday, June 18, will amain unchanged. EEC GRAIN IMPORT LEVIES—The billowing levies and premiums are effective for July 15: in order of current levy, plus July, Aug. and Sept. premiums (with previous in brackets), all in Units of Account per tonne. Common wheat: 84.51, rest nil (87.49, 4.60, 4.60, 4.60, 50). Druram wheat: 140.86, rest nil (140.86, rest nil); Rye: 96.00, rest nil (96.00, rest nil); Barley: 94.92, rest nil (94.92, rest nil); Barley: 94.92, rest nil (94.92, rest nil); Maize (other than hybrid for seeding); 87.13, rest nil (88.34, rest nil); Buckwheat: 6.98, rest nil (6.96, rest nil); Millett 82.77, rest nil (62.77, rest nil); Grain sorghum: 96.57, rest nil (96.57, rest nil); Grain sorghum: 96.57, rest nil (96.57, rest nil); Rye flour: 149.17 (149.17). EEC GRAIN IMPORT LEVIES-The

WHEAT M'ath close - Yesterday's + nr

Sept. 92.85 -0.7 87.20 +0.8 Nov... 96.80 -0.75 91.05 +0.75 Jan... 100.30 +0.85 95.15 +2.0 Mar... 103.70 +0.8 98.40 +0.8 Nay... 107.05 +0.75 101.85 +0.95 Business done—Wheat: Sept. 92.85-92.45, Nov. 96.30-95.90, Jan. 100.26-95.90, March 103.60-103.30, May 106.60, Soles: 114. Barley: Sept. 87.20-86.30, Nov. 91.05-90.80, Jan. 95.19-94.60, March 93.30-98.10, May 101.80-101.60, Sales: 196.

RUBBER ABOUT UNCHANGED opening on the London physical market. Little interest throughout the day, closing quietly steady. Lewis and Peat reported a Malaysian godown price of 305 (same) cents a kilo (buyer, June).

July ... 68.55.86.71 53.80.68.40 58.77-59.80 Aug 57.25.67.70 88.55.47.80 67.46 Jy-Sept. 67.40-67.50 88.75-68.85 57.40-68.50 Oct. Doc 69.85-89.76 69.80.89.85 70.00-69.70 59.71.30-71.25 71.80-70.95 Apr. Jun, 78.55.74.10 73.20-78.25 75.45-76.40 Jy-Sept. 76.15-76.30 75.25-78.40 75.20-75.85 Oct. Doc 78.20-78.38 77.50-77.55 78.00-77.76 Jun. Mar 88.48-89.50 79.95-78.76 89.48-89.50

Sales: 609 (419) at 15 tonnes. Physical closing prices (buyer) were: Spot 65.75p (65.0); July 70p (69.5p); August 70p (69.5p) SOYABEAN MEAL The London merket opened with small gains but Soon moved stronger and continued specified support reported T. G. Roddicks. The afternoon season saw tresh buying and

Sales: 177 (101) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar):
£102,00 (same) a tonne cif for MayJune shipment. White sugar daily price
was £106.50 (£107.50).
The market declined sharply from
overnight levels following reports that
the introduction of ISA stock fee
would be postponed until the autumn.
A further small drop occurred later
before scattered shortcovering developed at the close which enabled
most of the losses to be recovered,
reports C. Czarnikow.

E per forms

Ang ...: 107.80-07.50 107.86-07.90 109.76-08.90

Oct. 111.80-11.80 112.20-12.25 113.30-11.20

Dea 115.26-15.29 116.30-18.55 117.40-15.25

March 12.20-21.85 121.50-21.80,122.25-20.25

May 124.00-24.10 124.25-24.50 124.00-23.59

Ang 127.25-27.65 127.50-27.5

Oct. 130.50-50.76 150.50-51.50 166.08

Seles: 2.148 (1.439) lots of 50 tonnes.

Seles: 2.148 (1.439) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was (279.50. (same) a tonne for home trade and £171.00 (£17.50) for export.

International Sugar Agreement (U.S. cama per pound lob and stowed Caribbean port). Price for June 13. Daily price 8.21 (8.25):-15-day average 7.90 (7.87).

WHITE SUGAR—Close (in order buyer. seller. business, sales.). July 105.00, 106.25, 108.00-104.75, 37; Sept. 111.25, 111.50, 111.75-111.25, 33; Nov. 114.00, 114.50, nit, nit: Feb. 121.25, 121.40, nit, nit: Apr. 124.15, 124.40, 124.00, 10; July 128.00, 128.50, nit, nit. Seles: 88.

WOOL FUTURES

WOOL FUTURES

SYDNEY GREASY—Close (in order: buyer, seller, bursiness, sales), Micron Contract July 390.5, 391.0, 381.5-389.0, 38; Oct. 387.0, 397.5, 389.0-387.0, 60; Dec. 389.0, 400.0, 400.5-388.5, 64; March 405.0, 405.5, 407.0-404.5, 46; May 407.0, 408.0, 409.5-407.0, 44; July 411.0, 412.0, 411.5-411.0, 6; Oct. 412.0, 414.0, 414.0-414.0, 1; Dec. 416.0, 419.0, 416.5-416.0, 5; Sales: 280.

LONDON GREASY—Close (in order buyer, seller), July 218.0, 228.0; Oct. 218.0, 233.0; Dec. 218.0, 238.0; March, May, July, Oct., Dec. 228.0, 238.0; Sales: nii.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller), July 194.0, 196.0; Oct. 195.0, 198.0, 200.0; March 198.0, 200.0; May 199.0, 200.0; July 193.0, 200.0; May 199.0, 200.0; July 193.0, 200.0; Oct. 200.0, 202.0; Dec. 202.0, 203.0. Sales: 20.

MEAT/VEGETABLES

SMITHFIELD—Pance par pound, Beef:
Scotch killed sides 65.0 to 59.0, Eire
hindquarers 84.0 to 87.0, forequarters
42.0 to 44.0.

Veat: English ists 73.0 to 80.0, Dutch
hinds and ands 88.0 to 102.0.

Lamb: English smell 70.0 to 76.0,
medium 70.0 to 74.0, imported frozeh
N2 PL 51.0 to 52.5, NZ PM 51.0 to 52.0.
Pork: English under 100 ibs 34.5 to
44.0, 100-120 ibs 34. to 43., 120-16 lbs
34.0 to 41.0.

MEAT COMMISSION — Average fatstock prices at representative markete
on June 14. GB Cettle 86.85p per
kg lw (-1.45). UK Sheep 177.3p per
19 est dow (-2.1). GB Figs 60.1

per kg lw (+2.3). England and Wales;
Cattle numbers down 12.6 per cent,
average price 88.22p (-0.06). Sheep
numbers down 18.4 per cent, everage
price 177.3p (-2.1). Pig numbers
down 7.1 per cent, average price 60.1p
(+2.3). Scotland: Cattle numbers up
0.4 per cent, everage price 85.13p
(-3.19).

COVENT GARDEN—Prices in sterling
per package. except where otherwise
stated. Imported Produce: Oranges— **MEAT/VEGETABLES**

PRICE CHANGES

In tonnes unless otherwise stated. luminium £710/50 Free Mkt (es) \$1600/620 Platin'm tr'y oz £171 Soeds Copra Philip.... \$715s \$720 Soyabean (U.S.) \$319.50 r + \$1.05 \$305

Other commodities | 21.740 | -49.921.703 | -78.521.622.5 | -25.521.622.5 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -278.52 | -Nominal: † New crop. † Unquoted. p August. / July. s July-Aug. / June-July. u June. w Sept. y Nov. z Indicator. § Buyer.

AMERICAN MARKETS

NEW YORK, June 14,
Cocos—July 147.20 (145.55), Sept. 150.85 (148.80), Bec. 150.85, March 155.95, May 167.05-July 486.25, Sept. nii.
Copper Jone 186.50 (84.20), July 84.70 (84.45), Aug. 34.90, Sept. 85.15, Dec. 86.10, Jan. 883.5, March 88.20, May 86.25, July 85.30, Sept. 86.35, Dec. 86.40, Jan. 88.45, Mirch 86.50, Potatoes (round whitest), Nov. 62.6 (61.0), March 69.7 (68.3); April nii, May 8.96.
151. Sept. 16.50, March 16.50, Marc

**Silver—June 846.5 (841:5), July 383.5 (844.0), Aug. \$55.8. Sept. 853.2, Dec. 882.4, Jam. \$69.5.1; March \$99.5.6, May 911.1, July 922.6; Sebt. \$93.4.1, Dec. \$95.1, Jan. \$97.8, Maych \$98.3, Hanby and Harman spot 840.50 (830.00). CHICAGO, June 14.

Lard—Chicago **Googe 25.87** New CHICAGO, June 14.

Lard—Chicago **Googe 25.87** New CHICAGO, June 14.

Live Cattle—June 83.5 (89.35), Aug. 65.90 (77.25), Oct. \$5.50, Dec. \$7.45, Jan. \$69.00, Feb. \$89.30, April \$71.50, ## Wednesday's closing prices

NEW YORK; June 13; (56.12), Oct. 65.50-66.60 (66.33), Dec. Coccoa—July 145.55 (149.55), Sept. 64.35-64.40, Mar. 65.10, May 66.00, 163.70, May 154.80, July 67.00 bid-67.25 asked, Oct. 66.75 May 154.80, July 155.80, Sept. Bid. Tin—Spot 703.00 to 720.00 asked

EUROPEAN MARKETS

ROTTERDAM; June 14.

U.S. No. 2 Dark Herd Winter wheat, 13.5 per cent, July \$191. U.S. Hard Winter wheat, 13.5 per cent, July \$191. U.S. Hard Winter wheat, ordinary, unquotod, U.S. No. 2 Red Winter wheat June \$189, July \$185, Aug. \$188, Sept. \$187, Oct. \$191. U.S. No. 2 Northern Spring wheat, 14 per cent, June \$184,50, July \$184, Aug. \$184, Sept. \$185,50, Oct. \$190, Nov. \$194, Maize: U.S. No. 3 Corn Yellow affoat \$138, June \$138, 50, July/Sept. \$135, June \$138, 50, July/Sept. \$155,00, Cot. \$144.75, Jan./March \$150.75, Soyameat: 44 per cent protein, U.S. Soyameat: 44 per cent protein, U.S. March 1,077-1,081, May 1,100-1,107, affoat \$252, June \$253, July/Sept.

INDICES FINANCIAL TIMES June 11 June 12M nth ago Year ago 296.83 293.92 276.09 247.23 June 18 June 18 M'nth ago Year ago

1091.9 1090.2 1062.8 925.1

DOW JONES Dow June June Month Year Jones 13 12 ago ago Spot ... 409.55412.70387.67386.91 F ture 418.97.416.92,595.76,348.35 (Average 192425-6=109)

3.50. Cerrots—Cypriot: 28 ib 3.50-3.60; Italian: approx. 18-22 ib 2.50-2.80; Texas; per pound 0.15; Franch: 12 kilos 3.40, Asparagus—Californian: per pound 0.90-1.00. Meions—israeli: Yellow 8.00; Spanish: smell trays, green 2.30-3.00. Westermelons—Israeli: 4/8s 3.40-3.70. Goossberries—Hungarian; per 6 kilo box 3.00.

door 0.03-0.05. Tomatoes—per 12 lb 2.60-2.90. Cucumbers—tray 8/18s 1.80-2.20, pra-pack 2.40-2.60. Caudiffowers—12a Kent 4.00-5.50. Lincold 2.50-3.00. Spring greens—per crate Kent 1.25. 1.30. Asperague—per pound 0.70-1.00. Celery—boxes 12/30s 3.30-4.50. Strawberries—per 1s 1b 0.25-0.30.

June 14 June 13 M nth ago! Year ago

1635.5 1622.9 1567.9 1496.2

(Base: September 48, 1931=100)

regiss roduce: rotuces—per 25 kg 2.50-3.30. Lettuces—per 12 round 0.70. Cos 1:00-1-20. Mushrooms—per pound 0.50-0.50. Apples—per pound 8 remissy 0.04-0.03. Sectroots—per 28.1b, 1.00. long. 1:30. Rhubarb—per jound dita

LIVERPOOL COTTON—Spot and ship, ment sales in Liverpool amounted to 50 tennes, bringing the total for the week so far to 213 tennes. Modeest with Latin American and African styles predominating.

2

pued 13th June 1979, due 1979 at 11 31-54th", died E64m, Bills outstand-**PERSONAL**

FINANCIAL TIMES STOCK INDICES

Market downslide continues with emphasis on equities Index loses 14.7 to 474.2 and Gilts fall £1½ more

day and the FT 30-share index dropped 14.7 for a two-day fall of 27.2 to 474.3. The index has

Exircise Closing price Offer

August

6 16

worries that a tight monetary policy could mean a continuation on the previous day's scale, but still extended to 11 points more. Leading shares, on the other hand, sustained and the sustained are the sustained to the rout in markets. Interest rate concerning the sustained to the rout in markets. edged sector where yields on longer-dated stocks now range to 13 per cent.

Trade in long-dated Gilts was thus plunged 84.4 or 15 per cent. much reduced and the recently-from its May 4 record high.

138p

356p

2820

91p

295p

5

51

February

: 41

LONDON TRADED OPTIONS

Banks fall further

Despite rallying a penny or so in the early afternoon on the expected rises of 2 to 14 per cent in base lending rates, the major clearing banks reflected the surrounding gloom with fresh the surrounding gloom with resh fails to 10. Barelays closed that much off at 440p, after 438p. Overseas issues remained depressed by the decline in the investment currency premium and falls of 3 and 2 points and 4. Samuel A dipped 7 to 238p. By way of contrast, W. Goodkind jumped 18 more for Coodkind jumped 18 more for the cooking surface of the cooking jumped 18 more for the cooking jumped 18 more investment currency premium and falls of 3 and 2 points respectively were sustained by a two-day advance of 33 to 50p Algemene, EST, and Deutsche, on further consideration of ET51. Merchant banks came on Wednesday's disclosure that

Bass fell 7 to 206p and Whit-bread "A" 4 to 119p following news that the transferred series again held the upper news that the two companies hand in the Electrical sector had agreed to freeze pub beer had agreed to freeze pub beer which recorded further wide-prices until January. Elsewhere, spread losses. Decca "A" re-Distillers reacted 6 more to 211p mained a particularly weak mar-and Highland 5 further to 101p, ket at 268p, down 17, while while Invergordon gave up 7 to

The cut in the support grant increased mortgages took a further toll on Building issues where the effects of some fairly sizeable selling was apparent Blue Circle fell 16 to 298p, while shadowed by the 20.3 rights and minimum, 2400, 161 15 pressure, and Saga 13 to 121p, while recently-firm speculative counter, lost 9 to easing 7 to 151p. Elsewhere in Burnett and Hallamshire relin- 154p. Whitehouse reacted 13 to the Leisure sector, Barr and quished 12 to 388p. Second 185p, while falls of 8 were Wallace Araold Trust A fell 11

operative on Monday, will adversely affect sales, Gussies A lest 16 more to 358p and Burton A. 240p, and W. H. Smith A. 164p, declined 8 apiece. House of Fraser relinquished 6 to 168p and Marks and Spencer ended 5 cheaper at 107p. Elsewhere, fulls of between 10 and 15 were sustained by MFI, 118p, Comet Algemene, 201, 2016
F752. Merchant banks came on offer with Schroders closing 30 down at 510p and Hill Samuel Warrants 125 off at 350p. Hambros dipped 12 more to 282p. The trend towards dearer money overshadowed Hire Purchases.

Scallers were again in complete the state of the group from the Gnodkind Family Trusts at a price of 18p per share. Shoes lost ground with K closing 7 off at 68p and Ward White 6 lower

Electrocomponents also stood out with a fall of 18 to 448p. MK fell 11 to 252p and Electo local authorities and fears of tronic Rentals 8 to 192p. Against the trend, Chloride managed a penny rise to 90p in response to the good results. Among the leaders. GEC weakened afresh to 354p before settling at 356p for

George Wimpey came on one and dropped 7 to 74p and John a widespread setback in prices. Wake of the fresh lise in set and market beecham and Reckitt and Staveley, already a dull market beecham and Reckitt and former feel 12 to after 100p. Disappointing annual Staveley, already a dull market Beecham and Reckitt and results left William Leech with at 310p, reacted further on the a fail of 11 to 95p and, following annual results to close 25 down a 1979 low of 53p and the the AGM, Laing A gave up 5 to at 300p. Averys dipped 16 to 60p. International Timber, overshadowed by the £6.3m rights British Aluminium, 240p, fell 15

Account Dealing Dutes
Option

First Declara- Last Account
May 21 May 31 June 1 June 12
June 24 June 15 June 25
June 24 June 29 July 10
July 2 July 13 July 24
June 18 June 28 June 29 July 10
July 2 July 13 July 13
July 2 July 13 July 24

Now buse "dealings may town business days sailed in stock markets yestered in both equities and Gillcdged was sharply lower again.

Lossees in the latter sector were not business days sailed in stock markets yestered in both equities and Gillcdged was sharply lower again.

Lossees in the latter sector were not not be previous day's sailed that the first steps had been from some of the smaller institutions which are experiencing and the strength of steriling.

The hostile stance of the day's lowest with a fall of 18 of single on it major exporting continued to single on the Budget and other measures taken by the new Tory administration was interpreted in stock markets yesterday as bringing nearer the possibility of Government/TUC confrontation. Accordingly, the trend in both equities and Gillcdged was sharply lower again.

Lossees in the latter sector were not pronounced following the trend in both equities and Gillcdged was sharply lower again.

Lossees in the latter sector were not pronounced following the strength of steriling.

Initiations which are the previous day's lowest of the solution of exchange ontrois. The investment currency premium went for the day's lowest. The price of Exchange and other and price receveries here were also bout the annual profits. Among the day's lowest of the day's lower to 75 and Barratt
Developments 6 more to 104p.

An aftempted rally in ICI faziled in the day's lower at 35p. Parent of the day's lower at 35p.

Exchange To 75 and Barratt
Developments 6 more to 104p.

An aftempted rally in ICI faziled in the day's lower at 35p.

Exchange To 75 and Barratt
Developments 6 more to 10 fall of 16 at 140p. Chillens issues came on offer, the Ordinary and A falling around 20 apiece to the common price of 114p. Bernard Matthews, at 259p, gave back 9 more of its recent speculariza gain.

Leading Hotels and Caterers continued lower with Grand Leading Hotels and Caterers continued lower with Grand Metropolitan 5 off at 137p and the new nil paid a like amount down at 10p premium. Trust Houses Forte shed 8 to 154p and Ladbroke gave up 10 for a two-day loss of 20 to 196p.

Eng. China dull

Secondary issues bore the main brunt of the selling in miscellaneous Industrials yesterday. As a result, double-figure losses were commonplace by the close and losses of between 12 and 20 were sustained by De La Rue, 475p, Caplan Profile, 215p, Diploma Investments, 273p, BTR, 300p, Sharna Ware, 172p and Vinten, 143p. English China Clays reflected disappointing results with a reaction of 11 to S4p, while Valor fell 9 to 74p despite the higher profits and proposed 20 per cent scrip-issue. Applied Computer dipped 15 to 170p following the results and Braby Leslie gave up 5 to 68p on disappointing annual figures. Following news of the abortive bid discussions. Barget returned from suspension and, at 23p, closed 5 down on the suspension price. Still partly concerned about the possible sale of the NEB's 24.42 per cent London Brick shed 4 to 66p and a fall of 9.

Taylor Woodrow declined 14 for a two-day fall of 39 to 366p. Engineering shares found the George Wimpey came on ofter market unwilling and resulted in about overseas earnings in the wake of the fresh rise in sterling latter ended 20 off at 445p. Holiday concerns came under pressure, Horizon Midlands

for a two-day fall of 25 to 115p. Still depressed by the reduced allowance for lessed cars. Motors Distributors gave further ground Despite an investment mendation, T. Cowie shed 34 to 42p, T. C. Harrison remained on offer and lost ? to 134p, while falls of 5 were marked against Adams and Gibbon, 69p, and Appleyard, 80p. In Commercial Vehicles, E.R.F. shed 9 to 103p. Falls among leading News-

rails among leading News-paper issues ranged to 10, while in Paper/Printings, McCorquo-dale relinquished 11 to 107p. The Chancellor's dearer money policy continued to weigh on Properties which sustained moderate falls. Land Securities eased 4 to 280p, MEPC 5 to 156p and British Land 3½ to 65p. Haslemere were lowered 12 to 300p and awaiting the annual results, Great Portland Estates slipped 4 to 286p. Secondary issues encountered renewed selling with Property and Reversionary A. 420p., and Warnford Investments, 405p, losing 15 apiece. Control Securities eased penny to 40p following the annual results and accompanying rights issue, details, but the increased interim dividend prompted a gain of 22 to 345p in Corn Exchange.

BP weaken afresh

Oil shares encountered further selling before staging a modest raily to close a few pence above the worst. British Petroleum, however, remained of shadowed by the pending overby the Government of further parts of its holding in the company and ended around the day's lowest at 1,138p, down 28p. In comparison, Sheli were a relatively steady market at 358p, down 4, after 356p. Among secondary issues, Ultramar secondary issues, Ultramar touched 282p before settling only 2 off on the day at 288p, while Oil Exploration finished 8 cheaper at 254p, after 250p. Among Financials, Robert Kitchen Taylor reacted 8 further

to 175p on the cautious second-half profits statement. Shippings followed the general trend, P. and O. Deferred fell 41 to 901p, while Walter Runchman, 69p, and Furness Withy, 286p, reacted 10 and 7

respectively. British and Commonwealth lost 6 to 358p following the annual results. Sellers became increasingly evident in the Textile sector. evident in the Textile sector.
Interest in Traded Options
waned with 934 contracts completed compared with the previous day's 1,269. Grand Met.
attracted a fair business and
recorded 209 deals, while GEC

Golds improve South African Golds managed

and RTZ recorded 115 and 111

June June June June June A year 14 18 12 11 8 7 ago 70.44 71.15 72.85 72.85 73.60 73.16 70.57 72.44 72.77 74.37 74.48 75.00 75.13 72.55 501.4 503.9 503.2 514.0 469.2 474.2 488.9 Industrial 177.2 174.5 200.9 204.8 201.8 205.5 157.0 Gold Mines...... 158,1 155.4 163.8 169.5 164.7 165,7 104.7 Gold Mines(Ex-S pm) 6.21 6.04 5.88 5.84 5.84 5.73 5.63 Earnings, Yid. 3, (full.) 16,34 15.90 15.48 15.39 15.39 15.08 16,43 8.04 8.27 8.32 8.32 8.49 P/E Ratio (net) (*)- 20,375 20.648; 15,583 17,722 16,883 16,756 Total barga ins..... _____123,51, 62.06 69.39 99.02 90.97 64.71 Equ ty turnover £m. __ 15,824 11.837 14,576 14,382 14,251 16.122 Equity bargains total 10 am 484.2. i1 am 476.0.. Noon 477.5. 1 pm 477.7.
2 pm477.4. 3 pm 476.2.
Latest index 01-246 8026.
*Nil=7.52.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord.
1/7/35. Gold Mines 12/5/55. Ex \$ premium index started June, 1972.
SE Activity July-Dec. 1942. HIGHS AND LOWS S.E. ACTIVITY 1979 Since Compilat'n June : June 14 : 13 High Low | High Low 127.4 49.18 (9/1/88) (8/1/76) 150.4 50.53 (28/11/47); (6/1/75) 66.03 558.5 49.4 (4/5/79) (26/6/40) 442.5 43.5 (22/5/75) (26/10/71) 129.9 (17/4)

337.1 54.8 (5/4/74) (25/8/76)

a modest recovery after Wednesinvestment currency

95.2 (2/11)

Gold Mines 169.5 (Ex-\$ pm).... (8/6)

premium. marked up sharply at the outset, reflecting a strong overnight American demand and the higher bullion throughout the day following Continental support.

The Gold Mines index reclaimed 2.7 to 177.2 and the

ex-premium index recovered a like amount to 158.1. Among beavyweights, Western Holdings were prominent with a † rise to £18‡, while gains of ‡ were common to Vaai Reefs, £16 and Free State Geduld, £131. On the other hand, Randfontein

In medium and lower priced day's sharp fall, despite the issues, good rallies were made continuing uncertainty surround by Kloof, 28 higher at 694p. Libanon, 21 better at 667p and Blyvoor, which regained 17 to 358p. Western Areas, however, lower-than-expected dividend. Renewed weakness in the UK equity market prompted further selling of London Financials. Gold Fields fell 7 more to 238p -a two-day loss of 21-

Rio Tinto-Zine gave up 6 at 294p and Charter 3 at 144p. A decline in overnight domestic markets coupled with the uncertain outlook for the investment premium Australians showing widespread losses. New 1979 lows were registered by Peko-Wallsend, 14 dipped 1 to £27 in front of the down at 290p. Western dividend declaration which was not known during market hours. Riotinto, 4 off at 185p. down at 290p. Western Mining. 11 cheaper at 128p and Conzinc

NEW HIGHS AND LOWS FOR 1979

NEW HIGHS (7)

BANKS (1) not Lathern EUILDINGS (1) linson INDUSTRIALS (3) son Matthey Redfearn Nat. Glass Group Routledge Keesan P. PROPERTY (1) NEWSPAPERS (1)



OILS (3) OVERSEAS TRADERS (5) MINES (9) RISES AND FALLS

YESTERDAY 7 35 15 — 39 7 Financial and Prop.

Record year for Farnell Électronics

Results for the ye	ear ended 31st J	anuary
•	1979	1978
•.	£000's	£000's
Sales	22,249	18,215
Profit before tax	4,050	3,116
Profit after tax	1,929	1,568
Earnings per share	31.10p	23.66p
Dividend per share	7.37p	6.60p
Times covered	4.22	3.58
Asset value per share	156p	. 126p
3 for	2 scrip issue	

66 All sectors made a positive contribution to Group Profit and all are expected to maintain or improve their position in the coming year. Your Board is confident of continuing growth in future years. R. KIDD, B.Sc., Chairman

Group Trading Companies

Farnell Electronic Components Ltd. a specialist company in the distribution of electronic components to Manulacturers, Research and

Farnell Audio Visual Ltd.

B.B.H. Coil & Transformer Manufacturing Co. Ltd. Farnell International Instruments Ltd. Copies of the Report and Accounts and catalogues of the trading companies are available from The Secretary, Famell Electronics Limited, Famell House, 81 Kirkstall Road, Leeds LS3 1HR.

OPTIONS

DEALING DATES Last Deal- Declara- Settleings tion ment ings May 30 Jun. 11 Aug. 23 Sep. 4 Consolidated Gold Fields, Jun. 12 Jun. 25 Sep. 6 Sep. 18 Status Discount, GEC, Mams Jun. 26 July 9 Sep. 20 Oct. 2 and Charterhall. Bath and

Share Information Service of Shell Transport, Britannia Burmah Oil, Charterhall, Tozer Arrow, Levex, Town and City Kemsley and Harmony Gold.

Rustenburg, Jardine Matheson. Burmah Oil, MFI (Furniture), Kitchen Queen, British Land. For rate indications see end of were dealt in for the put, while Portland and Harmony Gold Share Information Service double options were arranged Money was given for the call in Consolidated Gold Fields,

ACTIVE STOCKS

	Denomina	- Of .	Closing	Change	1979	1979	i
Stock	tion	marks		on day	high	low	I
BP	£1	15	1,136	-28	1,246	882	ţ
BAT Inds	25p	12	263	- 6	362	263	Į
P & O Defd	£1	11	90 1	- 4 <u>}</u>	10 4	71	ı
Shell Transport	25p	10	358	- 4	402	278	ı
GEC	25p	9	356	- 9	456	311	ſ
Grand Met. 'Ne	w' Nil/p	d. 9	10pm	- 5	16pm	10pm	Į
Barclays Bank	£1	8	440	-10	514	360	١
Beecham	25 p	8	533	-12	755	533	i
Burmab Oil	, £1	8	122	- 6	134	82	l
MFI Furniture	10p	8	118	-10	138	54	ı
Metal Box		8	296	- 2	358	294	Į
RTZ	23 ხ	8	294	- 6	362	226	ı
Unilever		8	592	- 4	680	520	ŀ
Glaxo		7	455	7	600	455	ļ
ICI	£1	7	355	- ∙ 5	415	346	ł

RECENT ISSUES

EQUITIES

Issue Price o:	Amount Paid Up	Revune. Date	197 High	9 Low	Stock	Olosing Price pt	+ 01	Amount	Covered	R P S S
:115	F.P. F.P. F.P.	22:6 22.6	וי פחפ	57 l <u>e</u> 51 -	8 £ & (Retaill 5p ††Baker (John) Fulcrum (nv. I ncome Do. Capital 2 ¹ 2p Rock Darham	511 ₂	-3 -4 -4 -12	64.0	2.8 - - - -	5.2/16.3 9.7. — 1.6 —

FIXED INTEREST STOCKS

Price to	· 65.45.5	979 ! Low	Stock	Price + or							
20p 00 00 00 00 98	- 26.6 , 2pm £10 30,8 12 F.P. 11/5 1181	2 10712 n 12pm 10 - 105	How'rd Wyndh'm 9's Cnv. Cum. Red. Prf. Kwik-Fit (Tyres: 83 Cnv. Ln, 1979;65 Marsh'il's Univ'rs' 17's Crw. Cum. Red. Prf. Portsmouth Water 8's Red. Prf. 1984 Slough Est: 8't Cnv. 1991-94 York Water 12's Deb 1986	12 pm							

"RIGHTS" OFFERS

P. 42 8 6 6 7 51 pm 40 pm Edwards Louis C. 46 pm 2 25 F.P. 8 6 6 7 51 pm 40 pm Edwards Louis C. 46 pm 2 26 Ni -	SUe	Latest Penunc. 19		9	Stock Stock	1		
16 m 10 m	p:	₹ 2		;	High I	Low	,	i
	26 12 35 10 15 15 15 15 15 15 15 15 15 15 15 15 15	NII F.P. NII F.P. NII F.P. NII F.P. NII F.P.	16 28.6 22.6 16 15.6 15.6 15.6 23.6 7.6	29/6 37/7 20:7: 29:6 2:7: 27:7 13:7; 6:7; 4:7:	16pm 15½ 17pm 36pm 60pm 13½ 126 26pm 136 296 156 507 7pm 249 1053	10pm 9 15pm 16;pm 40pm 29 100 24pm 124 272 142 470 14pm 213	Grand Metropolitan	1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. a Assumed dividend end yield. a Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. The Pence unless otherwise indicated. Susued by tender. § Official of holders of ordinary shares as a "Figures" stated by way of explicitations. §§ Reintroduced. It Issued in connection with reorganisation, merger or takeners. If Introduction. [I Issued to former proference holders. It Allotment letters (or fully-paid). They provisional or cartivizated allotment letters. * With warrants. It Unitsed security. It issued as units comprising 2 Income shares and 10 Capital shares at 1.5p per unit

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GRO		Thurs., June 14, 1979					Wed., June 13	Tues., June 12	Mon., June 11	Fri., June 8	Year ago (approx.)		
& SUB-SECTIONS Figures In parentheses show number of stocks per section				Index No.	Day's Cleange %	Est. Earning Yield 9 (Max.)	11	Gress Div. Yeld % (ACT 1 33%)	Est. P/E Ratio (Net)	index No.	Index No.	Index No.	Index No.	Index No.
1	CAPITAL EOODS (172			46.12	-2.9	17.31		5.71	7.56	253.46	262.01	261.81	263.45	213.99
2	Building Materials (27)			30.56	-3.5	17.43		6.05	7.65	239,01 383,62	247.34 400.01	246.51 400.35	248.96 401.86	345.60
3	Contracting, Construction	on (28)		62.34	-5.4 -2.1	24.82 13.39		5.98 3.29	5.07 19.25	593.20	616.69	61417	617.37	453.19
4	Electricals (14)	- /73\		90.73 63.48	-21	19.94		6.66	6.42	371.38	367.43	386.38	393.38	318.56
5	Engineering Contractor Mechanical Engineering	3(14) 5(75)		86.79	-3.0	17.72		6.24	7.34	192.56	197.54	198,83	198.86	174.89
8	Metals and Metal Form	ing(16)		71.17	-2.0	18,86		9.10	6.65	174.70	178.91	179.53	180.27	163.35
٠,	CONSUMER GOODS		-				1		ļ			l	l	I
11	(BURABLE) (52)			30.34	-1.9	15.05		4.75	8.78	234,71	242.62	242.94	244.58	198.55
12	Lt. Electronics, Radio,			13.66	-1.7	11.79		3.40	11.95	31924	329.72	329.25 171.74	332.53	233.67 179.81
13	Household Goods (12)			63.42	-1.8	17.30 21.90		7.32 7.22	· 7.83 5.59	166.45 120.44	17L49 124.82	125.75	173.69 125.57	125.46
14	Motors and Distributors	(24)	3	17.87	-2.1	27.30	' (122	2.33	120,44	324.52	1 123.13	12337	123.40
21	CONSUMER GOODS (NON-DURABLE) (17)	71	١,	31.38	-28	16.38	ı	5.85	7.91	237.96	243.72	244.53	245.01	200.77
22				66.30	-25	15.29		5.80	8.00	273,18	278:67	275.27	279.45	228.69
23	Wines and Spirits (6)			98.81	-2.9	15.72		5.01	9.27	307.78	316.31	304.92	305.43	256.51
24	Entertainment, Caterin	g (17)] 3	05.32	-3.7	15.32		6.75	8.64	317.07	320.84	317.00	316.86	253.66
25	Food Manufacturing (1		2	35.60	-1.8	18.32		5.29	6.78	219.52	225.43	225.36	227.49	198.61
26	Food Retailing (15)		2	90.93	-23	11.35		416	21.67	297.71	302.71	301.41	302.86	202.48
32	Newspapers, Publishing	(12)	14	26.75	2.8 -2.3	22.27 21.50		6.17 8.43	6.37 6.03	439.07 135.26	445.63 138.54	445.11 140.04	448.65 142.63	376.42 135.04
33	Packaging and Paper ()	(حا	-	32.19 120 45	-35	12.22		4.41	11.02	238.82	245.10	251.66	249.99	17715
34 35	Stores (41) Textiles(23)		1	65.75	-30	21.33		9.47	6,12	179.84	176.37	177.25	177.53	180.34
36	Tobaccos (3)			32.55	-17	24.42		8.85	4.70	236.61	243.88	241.51	240.03	246.83
37	Toys and Games (6)			73.27	-5.0	30.89		9.27	3,88	77.09	79.37	79.37	79.02	106.79
41	Toys and Games (6) OTHER GROUPS (99)	<u></u>		102.64	-2.8	15.69		6.31	7.91	208.42	213.86	214.31	215.42	197.74
42	Chemicals (18)			26.11	-22	17.73		6,90	6.58 9.94	292.66 224.73	299.65	299.77	302.31	284,81
43	Pharmaceutical Produc			19.43 21.42	-2.4 -0.9	12.52		5.20 6.76	7.47	122,47	231.31 128.06	231.16 128.26	230.82 328.01	257.16 132.77
44 45	Office Equipment (6) _			55.97	-3.6	10.35		6.82	13.08	473.23	484.16	487.00	489.52	419.95
46	Shipping (10) Miscellaneous (58)			39.73	-3.6	16.17		6.15	8.07	248.78	254.64	255.75		203.41
49	(NOUSTRIAL GROUP	(494)		35.73	-27	16.26		5.84	7.88	241.74	208.45	248.91		
51	0ils(6)			39.58	-1.8	1233	ı	3.43	8,62	6151	667.03	670.26		1
萄	500 SHARE INDEX		2	67.88	-2.6	15.57	ヿ	5.42	8.00	274.96	282.40	283.07		
61	500 SHARE INDEX FINANCIAL GROUP!	135)		89.26	-21	1	+	5.58	-	193.29	19836	196.44	,	164.56
62	Ranks(6)		[2	31.32	-2.5	28,79	1	5.24	4.49	237.25	247.25	237,14		187.33
63	Discount Houses (10) Hire Purchase (5)		2	45.31	l - -	1	.	7.81	i =	245 <i>2</i> 7	248.53	246.26		
64	Hire Purchase (5)		[]	166,64	-2.5 1.5	19.93	"	5.42	6.46	179.85	182.74			
65	Insurance (Life) (10) Insurance (Composite)			26.11	-22		Ţ	6.72 7.68	-	166.48 126.85	161.45 129.05	160.51 129.35		
66 67	Insurance (Composite)	(0)		74 52	-13	1830	١.	6.97	7.82	278.17	287.19			
68	Insurance Brokers (10) Merchant Banks (14) Property (42)			97.34	-2,7	} ==	1	5.52		79.99	102 36			
69	Property (42)			33,57	-1.9	3.23		2.73	47.98	300.19	347.97	351.57	352.51	
70	Miscellaneous (10) Investment Trusts (111		<u>1</u> 3	2027		15,44	١.	7.73	8.30	123.29	124.54		126.36	
71	Investment Trusts (111	.)	2	214,94		{ _=	. T	5.A0	$\Gamma =$	219.36	222 1G			
81	Mining Finance (4)			28.75	-22	15.57		6.11 7.11	7.83	131.64	137.36			
91	Overseas Traders (20) ALL-SHARE INDEX (750\	·~~13	100.00 100.00	_ = E 0	15.72	-	5.50	8.08	365.33	370.07	372.86		
99	ALL-STARE INDEX	(15.			, -2		4	2. 7 U	<u> </u>	1 43Z 60	7 253.19	259.27	258.97	215.45
	F(XED INTE	REST P	RICE II	NDICE	s				YIEL	TEREST DS Gross Rec		Thurs., June 14	Wed., June 13	Year ago
			_			l					_		כנ	(approx.)
		Thurs.	Day's	xxt	_ T	d adj	1			5 years.		19.76	10.62	8.79
,	Battleh Compressionent	1100	may 2			1979	2	Compar	6	15 years		11.21	31.66	10.84

FIXED INTEREST PRICE INDICES					FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.					Thurs., June 14	Wed., June 13	Year ago (approx.)	
	British Government	Thurs., June 14	Day's change %	nd adj. today	zd adj. 1979 to date	1 2 3	Low Compans	15	years years years		19.76 11.21 11.66	10.62 21.66 11.50	8.79 10.84 11.53
1	Under 5 years	103.66 113.74	-0.47 -1.05	-	4.54 5.04	4 5 6	Coupons	- 15	years years years		12.56 12.65 12.64	12.29 12.48 12.48	11.21 12.04 12.26
3	Over 15 years	119.70	-115 -116	0.24	5.7% 6.38	7 8 9	High Coopens	5 15	years years years		12.88 12.98 12.95	12.59 12.80 12.78	11.46 12.55 12.85
5	All stocks	111.71	-0.88	0.09	5.12	_	Irredeen				11.50	11.36	11.59
]		(ues., Jun	Ju	ed, ine	Tues. June 12	Mon. June 11	Fri. June 8	Thurs June 7	Wed June		ļ - Ī

Index Yield 13 12 11 8 7 6 No. 3
15 20-yr, Red. Deb & Loans (15) 58.40 112.71 58.66 59.54 59.57 59.71 59.66 60.19
16 Investment Trust Prefs. (15) 48.98 14.12 50.15 51.78 51.78 81.78 51.82 52.87
17 Coml. and Indl. Prefs. (20) 70.04 13.44 70.29 72.89 73.04 73.43 73.43 73.80

† Redemption yield. Highs and lows record, base dates and values and constituents is available from the Publishers, the Fit Cannon Street, London, EC4P 4BY, price 13p. by post 22p.

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FOREIGN REGION & BANKS AND S SHARE INFORMATION SERVICE MATTHEWS GOODMAN & POSTLETHWAITE 01-248 3200 Offices for Commerce BRITISH FUNDS Stack Price |+ or Yield | Stack £ |- | int. | Bed. Undated 334 | -3, | 12.58 31 | -3, | 11.34 357₃ | -3, | 9,% 244₂ | -4, | 12.54 211₂m | -4, | 11.55 261₂ | -4, | 12.51 Consols 4pt
War Loan 31-pc++
Conv. 31-pc + 51 Aft. ...
Treasury 3pc 66 Aft ...
Consols 21-pc.
Treasury 21-pc. INTERNATIONAL BANK 85 | 80 | 5pc Stock 777-82 | 81½ | -½ | 6.11 | 12.18 **CORPORATION LOANS** 92\4 -1 10.00
88\4 -1 8.74
98\5 -1 12.70
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98 -1.2 12.70
89\2 -1. 10.34
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90 -1.2 10.48 13.06 13.06 13.09 13.14 12.43 12.86 12.92 11.94 -12 10.48 11.96 -54 6.01 11.01 -12 7.20 11.81 -12 8.25 12.13 -14 13.55 -14 13.55 -15 13.55 -17 13.55 -18 13.55 -19 9.75 13.84 -14 12.70 13.52 90 851₂ 781₂ 661₂xi 631₂xi 221₂ 941₄ 941₄ 981₂ COMMONWEALTH & AFRICAN LOANS

98% | 9312 | Aust. 512pc 777-80 | 957gal | +18 | 5.72 | 12.83 |
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121 | 81 | Do. 6pc 78-81 ... | 819 | | -1 |
122 | 81 | Do. 6pc 78-81 ... | 119 | | -1 | LOANS Public Board and Ind.

66 | 56 | Alcan 101:20: 89-94. | 821:201 | -1: 12:65: 13:10

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129 | 117 | U.S.M.C. 90: 1982... | 1194: -1: 7.56 | -1: 12:90

95 | 87 | Do. without Warrants | 89ni | 10:00 | 12:90 al 991 -14 13.03 13.13 1023 13.16 1023 -14 13.62 13.16 82 -18 83 12.80 90 -11 166 12.80 90 -11 166 12.80 90 -11 166 12.80 12.20 12.21 13.00 644 11.68 13.00 76 -11 132 13.00 64 -11 132 13.00 64 11 168 13.00 76 -11 132 13.00 64 11 168 13.00 76 -11 132 13.00 64 11 168 13.00 76 -11 132 13.00 64 11 168 13.00 76 -11 132 13.00 64 11 168 13.00 76 -11 132 13.00 64 11 168 13.00 76 -11 132 13.00 64 11 168 13.00 76 -11 132 13.00 FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT Head Office: The Financial Times Limited, Bracken House, 10, Cannon Street, London EC4P 4BY
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138 | Alpine Soft D 10p | 172 | -6 | 47.7 | 0 | 65.5 | 6.7 | 6.5 | 6.7 | 6.5 | 6.7 | 6.5 | 6.7 | 6.5 | 6.7 | 6.5 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 |

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FINANCIAL TIMES

Friday June 15 1979



OECD chiefs demand Botha removes his tighter energy control

BY ROBERT MAUTHNER IN PARIS

to conserve oil and to step up mic change. If they did, straightproduction of alternative forward attempts to raise the
sources of energy was stressed level of economic activity by
by all Ministers yesterday at priming the demand pump
the annual meeting of the would probably be dissipated in
Organisation for Economic Cohigher inflation.

Take the same view as nighter to conserve the same view as ingher to conserve the same view and conserve the same view as ingher to conserve the same view

reduce real incomes, exacerbate by an inflation rate of over inflation and raise unemployment in the Western world.

"Until we can get people to

between growth with conserva- in wages and salaries is tion and low growth with high increased producion, any signi-inflation." Mr. Blumenthal said. ficant loosening of fiscal and "There is considerable danger monetary policies is more likely that we will enter 1980 facing over the medium term to desoil import bills that will repre- troy jobs than it is to create sent a severe challenge to our them. ability to stabilise our economics and maintain respectable tance of the U.S. to accept the rates of growth.'

Sir Geoffrey Howe, Chanof the volume of its domestic
cellor of the Exchequer, argued output, Sir Geoffrey said the
that structural rigidities should British people were entitled to

THE NEED for greater efforts not be allowed to inhibit econo- take the same view as higher

Organisation for Economic Cooperation and Development's
Ministerial Council.

Fears of a looming recession
overshadowed the 24-nation conference, which was warned by
Mr. Michael Blumenthal, U.S.
Treasury Secretary, that further
increases in oil prices would
reduce real incomes evacerhate
by an inflation. Fate of over

"The choice is not between understand that the only susgrowth and inflation, it is tainable basis for real increases

In a reference to the relucneed for higher oil prices

In opposition the Conserva-

next step in bringing BNOC back in line with the rest of

The Government has already

announced this week that BNOC will be made liable to pay petroleum revenue tax in the

same way as other North Sea

The new Department of Energy team is also formulating its first response to the EEC

Commission on the question of

interest relief grants for oil companies which agree to buy

British equipment for North-Sea field developments.

Government, on the eve of the

system of giving preferential treatment to UK offshore sup-

pliers was illegal and had to be

changed. The UK was given two

months to respond or face a

possible challenge in the Euro-

pean Court of Justice for violat-

The Government is expected

as a first response to seek more

time to deliberate on the issue,

while it tries to pin-point simi-

lar schemes operating in other

accepted that the scheme offends against the Rome Treaty, and in the slightly

longer-term it is looking to a

gracious retreat on the issue to

prove its willingness to co-

operate with the Community

and to give it a bargaining card

in seeking concessions on other

Continued from Page 1

But it appears to have

ing the Treaty of Rome.

member countries.

energy matters.

RTZ

The Commission told the last

the industry.

operators.

Minister of Police in Cabinet shuffle

MR. P. W. BOTHA, the South party, the most powerful sec-

The major casualty of the reshuffle is Mr. Jimmy Kruger, the controversial and undiplomatic Minister of Police. The most significant newcomer is Dr. Klerk bither Andries Treurnicht, leader of the conservative wing of the ruling National Party. At the same time Mr. Botha has begun a major reorganisation of the economic and industrial port-

Underlying the changes is the departure of some key figures from the Vorster era, and notable promotion for Mr. Botha's closest supporters, including Mr. Chris Hennis, Minister of Economic Affairs, and Dr. L. A. P. A. Munnik, administra-

tor of the Cape Province. Mr. Kruger's removal has been expected for some time, since he backed Mr. Botha's rival. Dr. Connie Mulder, for the death in detention of Mr. workers Steve Biko, the black leader, bitterly. may have contributed to his may have contributed to his removal. He is pushed upstairs to become President of the between Mr. Alwyn Schlebusch to become President of the Senate, when the present in-

the Cabinet was also inevitable,

African Prime Minister, yesterday carried out a major overhaul
of his Cabinet to reinforce his
position in the wake of the resignation of Mr. John Vorster, as
President.

MR. P. W. BOTHA, the South party, the most powering set with strong grass roots' support.
But Mr. Botha has put him into the politically irrelevant portation of Mr. John Vorster, as
Statistics and Tourism, where he will be hard put to pose any

On the economic front, per haps the most dramatic promo-tion is that of Mr. F. W. de Klerk, hitherto the most junior Cabinet member, to become Minister of Mines and Energy. two key roles in the present energy crisis. Mr. Heunis, who is Mr. Botha's lieutenant in the Cape wing of the National Party, is promoted to Minister of Transport

His predecessor, Louwrens Manua Muller. resigned earlier in the day after failing to win the National Party nomination for the presidency. Dr. Schalk van de Merwe follows Mr. Heunis to Economic Affairs, renamed Trade. Industry and Consumer Affairs.

Senator Owen Horwood remains at finance, as does Mr. Pik Botha at Foreign Affairs. the premiership last year. His Mr. Fanie Botha, Minister of clumsy handling of the Police Labour, loses his second portportfolio, and callous reaction folio of Mines, possibly partly to the international outcry over as a sop to the white mineworkers who have attacked him

cumbent. Senator Marais
Viljoen, becomes President.

De Transcription of the present inCumbent Senator Marais
Viljoen, becomes President.

The Transcription of the president Dr. Treurnicht's promotion to mentary commission which investigated liberal dissidents and although he is actually Mr. anti-South African activities in Botha's principal rival within the early 1970s, and banned the National Party. He is leader foreign funding of such of the Transvaal wing of the organisations.

their base rates to 14 per cent yesterday the official money and anking figures filled in the background to the Chancellor's drastic action on interest rates.

As the banks duly hoisted

have a valuable impact on the

But the official tactics have

severely dented the equity

market, which has sunk well-helow the 500 level on the FT

30-Share Index, and now shows.

Gilt-edged were also weak yesterday, unable to hold the levels reached after Wednes-

day morning's excitements. The

market is nervously awaiting taps—perhaps both a short and

long-this afternoon. There is

not much domestic buying power left for the time being.

and the authorities might be

wise to wait a week or two

of speculative foreign money.

in pre-tax profits to £29m.

able performance, but not spec-

tacular.

June outturn.

Growth in sterling M3 in the first half of the monetary year, up to last October, had been UK BANKING SECTOR running close to the target level STEPLING LEMBING TO THE PRIVATE SECTOR at an annual rate of 10.2 per-cent, but since then it has accelerated to over 13 per cent, with a rise of 1.2 per cent in the latest month to mid-May. In the last six months sterling lending to the private sector has doubled to an annual rate of £8.4bn. The outlook has continued to be poor for the June banking month which ends next Wednesday, although the 1978 emergency action of the authorities this week has produced £800m of debt sales which will

> Dunlop - batteries, like tyres, are lasting longer, and hence there is less demand. This has been the case for the past five years, argues, Chloride, but such are the ranges of new applica-tions for batteries that the analogy with tyres is false.

a loss on this measure of 844 points since the peak reached on May 4, the day after the price of lead will force Chloride to have another rights issue. So far, Chloride's balanceprices will fall.

The City's analysts turn out to have been too impressed by the juicy volume figures published in recent months by the On a day when share prices were tumbling across the board, china clay industry—production was up nearly a tenth in the six months to March—and not Chloride shares managed a small 1p gain to 90p. However, wary enough about the impact on English China Clays of the severe winter and the transport this did not have much to do with the 16 per cent increase industry disputes. These troubles After a sharp recovery in the appear to have afflicted the group's quarrying and road-building activities even more first half from that effects of labour disputes, plus a big turn-around in the U.S., Chloride's

around in the U.S. Chloride's second-half profits were roughly unchanged. Given the strength of sterling and the industrial unrest in the UK, which together could have cost the

The main reason why the share price reacted the way it did, was because the company sterling is no help, the clay 40 per cent at the current price went out of its way yesterday division now looks much more of 358p. This partly explains to still the two fears that have recently dogged the Chloride share price. The first worry for investors is that the group is slowly turning into another business in the state of the stat

Index fell 14.7 to 474.2

THE LEX COLUMN

When the lending

had to stop



The second, and more immediate, worry is that the soaring sheet seems surprisingly unaffected, but this may not continue to he true this year. However, the company argues that against current prices of £660 per ton, the long-term price is more like £400 and

rather than flatten the market English China Clays still further or risk an inflow

roup £1.5m, this was a reason- earlier but is still well below the peak £13.5m recorded for market has come to regard the first half of 1976-77. The shares slumped 11p to 84p. ment trust which is standing at But although the strength of generally reckoned to be over

further increases of between 8 and 14 per cent, effective on July 1. Meanwhile this year's pay increase has been limited quarry and building interests should recover from the first half setback and the holiday interests—ECC will be host to 100,000 customers in its caravan parks this summer-will make seasonal contribution.

For the full year ECC should be able to get near £30m pre-tax, against £24.5m, and the benefit of the price rises will roll forward into 1979-80. though there must be a question mark over the strength of demand beyond the summer. The yield, without allowing for the rise in the final dividend hinted at by the Board, is 6.5

B & C Shipping

British & Commonwealth Shipping is taking no chances with its dividend, Even though official controls lapse next month B & C is still hiding behind them and shareholders will have to wait some time before they get an idea of how much extra cash the company is prepared to pay out.

This caution does not mean that B & C is hard up like its larger rivals P & O and Ocean Transport—far from it. Leave out the £2.3m share of the exceptional currency loss at Overseas Containers Limited and the £1.8m write down of the floating supply base ship, and B & C's pre-tax profits rose by £1.3m to £30.6m last year. This is not bad going for a company facing the worst recession in the shipping industry since the early 1930's.

But then B and C is no longer really a shipping company. Apart from its profitable stakes in OCL and South Africa's Safmarine, its shipping side lost just under £1 last year. By contrast, its air transport side --mainly helicopters - made around £10m and the aviation support side made another £4m. The hotchpotch of other activities did not do so well, but nevertheless chipped in another

Although it is still listed as a shipping company the sto ment trust which is standing at

BNOC likely to lose licensing privilege

BY KEVIN DONE, ENERGY CORRESPONDENT

THE BRITISH National Oil has slowed up offshore explora-Corporation's right to have first tion. refusal on all North Sea deals in which oil companies are pro- tive Party gave this complaint posing to buy or sell licence a sympathetic hearing, and it is interests is likely to be expected to anounce soon this interests is likely to be

The Government's comprehensive review of all the state oil company's functions is welladvanced and any changes resulting from the study are likely to be made known before the end of July.

But the Department of Energy is expected to act before the study is completed to remove BNOC's particular advantage in so-called farm-in deals. The state oil company's privileged position has especially irked the rest of the oil companies operating in the

As part of the Labour Government's attempt to give BNOC larger stake in the North Sea. it allowed the corporation to have first option on any deals in which oil companies were proposing to transfer part of their offshore licence interests.

Farm-in agreements are a common part of oil industry Companies which think they have located promising exploration prospects in another company's acreage offer to drill a well at their own expense in return for a share

in the licence The oil industry has claimed that ENOC's pre-emptive right to all such farm-in agreements has brought these deals to a virtual halt, and in the process

Weather ...

UK TODAY CLOUDY WITH occasional

E. England, Cent. S. England. W. Midlands, Wales, N.W. England, Cent. N. England

Showers. Bright intervals. Max. 14C (57F). S.W. and N.W. Scotland, Ulster

Rather cool. Occasional showers Max. 12C (54F). Rest of Scotland

Cloudy. Outbreaks of rain. Max. 16C (61F).

WORLDWIDE

Outlook: Little change

showers. Sunny intervals. London, S.E. England Sunny intervals, showers Thunder later. Max. 16C (61F).

Joint effort to ease oil shortage

UK OIL companies are to start pooling information about areas of the country that have been particularly hard hit by the shortge of oil supplies to try to achieve a fairer distribution of oil products to all regions.

ing the tax on petrol in his Budget, raising the pump price

by about 10 per cent. Britain considered this to be

measure that was necessary

to save energy, quite apart from its revenue effect. Even without

the tax increase, Britain's con-tribution to the international

effort to save oil would exceed

7 per cent, which was well above its 5 per cent obligation.

After pointing out that the verage OPEC crude oil price

had risen by 33 per cent since December, 1978, Mr. Blumenthal

said that even conservation would buy only a little time.

Economic growth could only be

achieved by persuading oil pro-

ducers to raise their output, by

a reduction of the use of oil per

unit of production or by increas-

ing the production of some other

form of energy.
Multinational code, Page 8

It is the industry's first response to a specific request from Mr. David Howell, Energy Secretary, to share oil as. possible

product rationing as equally The Government has declined to intervene in the allocation of oil supplies. But earlier this week Mr. Howell told Parliament that he had specifically requested the oil companies "to achieve a more even and effective distribution overall and to meet particular difficulties as a matter of urgency where cus-tomers are threatened with

real hardship." demands, oil companies are start compiling joint figures about supply and demand in various regions and for different sectors of

When the industry is able to identify local areas suffering a disproportionate shortage of a particular product, individual companies, usually the dominant supplier, will be called on to move the product via their distribution system to meet some of the shortages. Failing this, a more general appeal would go to all companies to try to bridge the gap in deliveries.
The job of collating national figures on the pattern of local supply and delnand for oil products has fallen to the Petroleum Industry Association,

strikes over cuts BY NICK GARNETT, LABOUR STAFF THE NATIONAL and Local well as calling for a reopening

NALGO will back

strikes called by its members against job cuts resulting from the Government's drive to reduce public expenditure. . .

In the first formal attempt by union to mobilise its members against public expenditure reductions since the TUC announced a campaign against the cuts, the union's annual delegates conference reaffirmed its three-year-old policy of instructing members not to perform duties attached to jobs scrapped or held vacant.

This would be part of a general campaign against Government policies on expenditure cuts mounted by the 730,000-strong union which has members in many sectors including local authorities, the health service, public utilities and inland waterways.

The union's executive refused to support a much tougher motion instructing members to black the provision of all statistical information to Government departments as

Mr. Cmanuel R. Meyer of

Alusuisse and Mr. Richard B.

Government Officers' Associa- of pay settlements in light of tion decided yesterday to give the Budget. The motion was official backing to any local subsequently withdrawn. The union is anxious that all public sector unions must be involved in any fight to main-

tain employment levels. The union's strike fund has been drained of £3.5m in the past 12 months through pro-tracted disputes and there will only be an estimated £0.5m in the kitty by December. In February the executive slashed the provision of strike

pay from 55 per cent of gross wages to only £4 a week. Nevertheless, Mr. Geoffrey Drain the union's general secretary said there would be local strikes where his members decided they had to fight job

cuts in their own areas. There appeared to be conscepticism among delegates at the Blackpool con-ference, that the TUC's campaign would be effective. Mr. Drain told delegates that if the TUC's campaign failed, NALGO would have to shoulder the responsibility against what

he called the greatest challenge

ing shock absorbers and exhaust

systems for the VW Rabbit and

to the unions since the 1930s.

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Alusuisse in U.S. deal

BY STEWART FLEMING AND BRIJ KHINDARIA

re-opening which would be a fillip to the ailing Cornish economy, is higher now than at any time since Consolidated Gold Fields, the present owners,

stopped production in May 1978. Gold Fields' move was pre-cipitated by the earlier closure of the adjacent Mount Wellington tin mine, owned by Cornwall Tin and Mining, a U.S.-Canadian-Swiss consortium. RTZ had previously made Government participation in Wheal Jane as a condition of its own involvement because Wheal

Jane is smaller than the operations RTZ is used to handling, Cornish tin mining is risky, and re-opening of the mine would reduce local unemployment. The shift in the company's position means that technical and commercial considerations will be uppermost in its evalua-tion of Wheal Jane's prospects. This evaluation will be com-pleted by the end of July, when

decision on the mine will be Over the next six weeks, therefore, RTZ will continue detailed work on the orebody to establish whether there are adequate reserves of tin—which Gold Fields doubted — and negotiate for the purchase of the mine. It will also seek to buy the lease on the mineral rights held by Cornwall Tin. At the same time, RTZ will have to define more closely its relationship with Mr. Robert J. Sprinkel, the American entrepreneur, who put together a package for the rescue of Wheal Jane and won RTZ's interest in

ists have been working together.

ALUSUISSE, the Swiss-based that the agreement had been aluminium producer which is the reached jointly by the chief sixth largest in the world, is to executives of the companies, acquire the U.S. motor com-ponents group, Maremont Cor-poration in a deal worth \$168m (£80m) or \$42 a share. At first sight, the American

company's activities do not seem to be in line with the Swiss giant's traditional operations, aluminium, mining, chemicals, engineering, energy and research and development. There was speculation that the

purchase was related to a move by vehicle makers to reduce the weight of components as a means acquisition of Maremont could lead Alusuisse into this field in . the lucrative U.S. market.

monetary growth down within

market. vious
Motor exhausts have been SwFr Motor exhausts have been SwFr 4.94bn compared with an important growth sector of SwFr 5.4bn. The setback the U.S. motor components occurred because the U.S. motor components occurred because of the industry in recent years because strength of the Swiss currency of environmental regulations, and the resultant exchange

Alusuisse's existing U.S. interests centre on a 60 per Black of Maremont. The respective Board's and shareholders cent ownership of the Consolihad yet to approve the propodated Aluminium Corporation, sal. The boards will meet on which produces raw aluminium alumina, semi-finished and Maremont, which reported sales of \$338m last year and finished goods. The company also owns bauxite mines and net profits of \$14.1m (£6.7m) is a leading supplier of shock absorbers in the U.S. and has

Mercury models.

alumina plants in Australia. Net profits at Alusuisse fell been rapidly increasing its in 1978 to SwFr 94.1m (£25.8m) share in the automotive exhaust from SwFr 152.3m in the previous year. Total sales were

Maremont stressed yesterday Maremont has been supply- losses. Continued from Page 1

Banks raise base lending rates

underlying buoyancy, as shown

In contrast to the early pring, Certificates of Tax spring, Certificates of Tax Deposit, an investment for taxpayers, have not contributed, and there were redemptions of £109m as oil companies paid Petroleum Revenue Tax.

The pound closed 82 points down at \$2.0958, while the trade-weighted index, measuring value of sterling against a

supply figures.
Sterling M3, the broadly defined money supply, rose by 1.2 per cent, seasonally adjusted. in the month to mid-May. This is an increase of about 74 per cent since last October, equivalent to an annual rate of This compares with the target range of 8 to 12 per cent for the A considerable slowdown will be required to bring the rate of it earlier this year. Since then Mr. Sprinkel and RTZ special-

take at least a few months the new range of 7 to 11 per institutions, amounting judging by the latest money cent annual rate of increase in £556m last month. the 10 months to mid-April,

The main recent expansionary factor has been the growth of bank lending. This can no longer be explained by the distorting impact of the winter disputes; it now clearly reflects by the rise in consumer demand and imports.

Most of the Government's borrowing has been financed basket of other currencies, through sales of gilt-edged dropped 0.4 to 68.2 compared stock to the public and financial with 67.4 before the Budget.